

Push by Dissidents At Low Point After Soviet Crackdown

By David K. Shipler

MOSCOW, Dec. 30 (NYT).—The small Soviet human rights movement, which has attracted much attention around the world, is at its lowest point in years after a campaign of arrests, threats and forced confessions directed against its leaders. Its momentum has been curbed, its political activity undermined and its communications network in the West badly disrupted.

Yet new people have joined the movement as fast as the old have disappeared. Inexpensive for the most part and less dynamic than the previous generation, they have positions less stature in this supremely bureaucratic society and thus are somewhat less able to generate respect than their predecessors.

At the weekend appearance of new names in open letters and new faces at press conferences, the dissidents' contentions were pronounced dead. At worst, they predict, it will experience a new community of dissent takes shape.

Fewer Remain
One part of the movement is gone to the West, and the East, and fewer of us remain," said Naum Meiman, a mathematician professor, referring to the emigration and the imprisonment of activists. "The movement will continue, though, at a

A Festive Kiss May Lift More Than Spirits

PARIS, Dec. 30 (NYT).—If someone tries to kiss you on New Year's Eve festivities on the Avenue des Champs-Élysées, watch your wallet, police here warned today.

Those in the festive crowd on the famous avenue traditionally kiss indiscriminately—the clock strikes midnight, at police said that last year's Eve more than 100 complaints were received from men whose pockets had been picked.

Campaign of Intimidation

Vietnamese Cite Anti-Escape Effort

By Henry Kann

BANGKOK, Thailand, Dec. 30 (AP).—The Vietnamese government, apparently in a campaign of intimidation—publishing the names of escapees and the names of those who helped them—has begun to open up the country to the public. The last six weeks' warnings announcing stern penalties for anyone caught helping escapees have been repeated, and loudspeakers have broadcast the names of escapees several times a day in public places.

The information was brought to the public by a boatload of Vietnamese who reached here last night a week ago. They had left Phu Quoc, an island of 15,000 people, after the U.S. Navy's Operation Homecoming.

The refugees, most of whom were veterans of escape attempts that had failed, reported also that on their successful try they had to run a gauntlet of many more patrol craft than they used to encounter on their regular fishing trips.

Penalties feared
The new arrivals in this overcrowded, primitive camp said the posters stated that those seeking to escape were traitors and would be severely punished. The penalties decreed were 3 to 5 years in prison for anyone caught and prison terms of 5 to 10 years or death for boat owners who organize escapes and offer space on their boats to others.

Loudspeakers on Phu Quoc broadcast the text of his proclamation three times daily, the

refugees reported. Many recently arrived refugees have been reporting that increasingly intense surveillance of the population was making the escapee organization of escapes much more difficult.

The members of the group also brought the first news of an escape attempt involving more than 400 persons last year. The 400 included most of the new arrivals, and their 1976 mass flight from Phu Quoc on three large fishing boats had been scheduled for shortly after the lunar new year.

Many among the 400 were Nung, a strongly anti-Communist ethnic group of Chinese stock originally settled in North Vietnam. A large number of Nung escaped to the South after the 1954 Communist victory in the North.

Trapped by Informer
The authorities allowed the 400 to gather at the meeting place by their boats and then, obviously tipped off by an informer, closed in on the group. Some escaped, but the majority were caught. The hands of all the men were tied, and all captives were herded into the holds of the three boats. The boats were closed, and many of the prisoners fainted for lack of air.

They were made to stay below all night. Every time a prisoner lifted the boards over the hold, guards slammed the covers down on his fingers. On the following morning, the three boats were taken to the mainland, near the port of Rach Gia.

Men, women and children were taken to a prison camp, where the men and women spent the next two months working the nearby fields and clearing the jungle for more fields. The children remained idle in prison during the day, but like their parents they were required to attend long political indoctrination sessions every evening.

The prisoners were informed that in punishment, although no trials were held, all their belongings—houses, land and property down to all valuables they had on their persons—had been confiscated.



President Carter praying at the monument to the Warsaw Ghetto, razed in 1943.

President's Wife Visits Cardinal Carter-Gierek Talks Far-Ranging

From Wire Dispatches

WARSAW, Dec. 30.—President Carter today held wide-ranging talks with Polish Communist party chief Edward Gierek and invited him to visit the United States. A joint communiqué later said that the invitation was accepted with pleasure and the date for the trip by Mr. Gierek, who last visited Washington in 1974, would be fixed through diplomatic channels.

President Carter's wife, Rosalynn, meanwhile paid an unscheduled visit to Stefan Cardinal Wyszyński, Poland's Roman Catholic Primate.

Officials said that Mr. Carter stressed his intense personal concern over human rights in Eastern Europe while having a three-hour private meeting with Mr. Gierek, mostly over lunch. The session was Mr. Carter's first meeting with a top Soviet-bloc leader.

They discussed issues of both international and direct Polish-U.S. interest, officials said.

The official communiqué said the two leaders were satisfied with their talks and believed that "continued visits at the highest levels, as well as visits by other

leading personalities of both countries, serve the interest of both countries and the development of détente and international cooperation."

Mrs. Carter, accompanied by Zbigniew Brzezinski, White House national security adviser, met with Cardinal Wyszyński at his Warsaw office for an hour and 20 minutes. Mr. Brzezinski, a native of Warsaw, acted as translator.

The Roman Catholic Church has the allegiance of up to 90 percent of the Polish people and is a powerful force in national life.

"We talked about social and moral issues, both of Poland and of the times," Mrs. Carter later said of her meeting with the 76-year-old cardinal. "I enjoyed being with him very much."

Mr. Brzezinski, who left Poland for the United States at (Continued on Page 2, Col. 5)

Interpreters Give Poles 'Lusty' Arrival Translation

WARSAW, Dec. 30 (AP).—A State Department translator whose erratic Polish version of President Carter's arrival speech provoked laughter among the welcoming crowd was relieved of some of his interpreting duties today, U.S. officials said.

When Mr. Carter, speaking at Warsaw's airport last night, mentioned the Polish people's desire for the future, translator Stephen Seymour said in Polish "your needs for the future," Seymour reported. They said Mr. Carter's "when I left the United States" was translated into "when I abandoned the United States."

Mr. Seymour's Polish was "very rusty," local journalists said. Mr. Seymour was hired by the State Department especially for this trip.

"It looks as if Seymour learned his Polish from a grandfather or somebody who must have emigrated from some backwoods of eastern Poland decades ago," a Polish newspaper said. "He used antiquated words and strange grammar, just as muddled Polish peasants still do."

Behind Barbed Wire
The prisoners were under constant armed guard, and the areas in which they worked were cordoned with barbed wire.

Their stay lasted six months, until they were told that they had been given a "temporary pardon" and would be returned to their home region, Phu Quoc. They were assigned an uninhabited area to clear and told to build new houses with wood from the trees they felled. Their old neighbors helped them get back on their feet, but surveillance and harassment were strong.

"They put us under such pressures that we just had to try to escape again," a Nung youth said. "But we were more frightened this time even than the last."

Polish listeners also said Mr. Seymour seemed to be substituting some Russian words and syntax for the Polish.

These additional mistranslations of the Carter speech were reported.

"Our nation was founded" became "our nation was woven."

"Poland is the ancestral home of more than 6 million Americans" came out as "a state also which constitutes the fatherland of 10 million Americans."

White House Press Secretary Jody Powell denied reports that Mr. Seymour had been relieved of all translating duties. But Mr. Powell said that another translator would be used for Mr. Carter's news conference.

State Department spokesman John Trainor said Mr. Seymour might be limited to translating from Polish into English during the remainder of Mr. Carter's 35-hour visit. Mr. Seymour was not available for comment.

No Offense Taken
Polish officials denied that they felt offended or insulted. "Look, it was funny and we had a good laugh. But why should we feel offended?" asked the chief editor of the national press agency Interpress, Mirosław Wojciechowski.

Warsaw-born Zbigniew Brzezinski, Mr. Carter's national security adviser, told newsmen on the flight here from Washington that his Polish is sufficient for social conversation but not for official talks. He left Poland as a 10-year-old after attending a Warsaw school for three years.

Carter Nominee Outlines Views

Miller 'Strong' Backer of Fed's Independence

By Thomas E. Mullany

NEW YORK, Dec. 30 (NYT).—William Miller, who has been designated by President Carter to succeed Arthur Burns as chairman of the Federal Reserve Board, said yesterday that he is a "strong advocate of the independence of the Federal Reserve system."

He said he believes that the central bank's independence "has served the nation well" since the creation of the system in 1913 and that having "the checks and balances that independence provides is a very beneficial thing" for the nation.

In a telephone interview to the Bahamas, where the 57-year-old industrialist resumed vacation after the President announced his selection Wednesday, Mr.

Miller also gave these views on his economic philosophy:

- He does not favor "direct controls" over the economy.
- He believes that the "general framework" of the President's \$25-billion tax reduction is sound and timely.
- He feels that one of the best ways to stimulate the economy is through "the creation of conditions that would encourage a resurgence of capital spending by business."
- He believes that it is most important that the "dollar be sound and stable."
- He thinks that "it's not surprising but it is disappointing to see" the large federal deficits of recent years, but he is "delighted

to see the President's view that he would like to reduce them and work toward a balanced budget."

Mr. Miller said that he had not sought to head the Federal Reserve and had twice rejected offers in the last two weeks to accept the post.

The Vice-President first asked him in mid-December, Mr. Miller said, and "after thinking it over for a couple of days, I said to him I should not be considered."

Then, on Christmas Eve, the Vice-President called and asked Mr. Miller to meet with the President last Tuesday. Again he demurred. But the President renewed the request that same evening, and Mr. Miller accepted.

He said that he was reluctant to leave his company and "his very satisfying career" but felt it a duty to serve in a post in which he believes he can make a contribution.

With respect to the outlook for the economy in the next year, Mr. Miller cited the consensus forecast of economists of slower growth than this past year's and a higher rate of inflation, and commented:

"The inflation part of the forecast is very disturbing."

"If the [economic] expansion can be prolonged by a resurgence in capital spending—which we haven't had yet—its prospect of better real growth and lower inflation is there. We can attack both problems at the same time."

Mr. Miller, whose appointment is subject to Senate confirmation, said he did not feel it was appropriate to offer any suggestions about dealing with the problems of the dollar until he assumes his new post.

which he believes he can make a contribution.

With respect to the outlook for the economy in the next year, Mr. Miller cited the consensus forecast of economists of slower growth than this past year's and a higher rate of inflation, and commented:

"The inflation part of the forecast is very disturbing."

"If the [economic] expansion can be prolonged by a resurgence in capital spending—which we haven't had yet—its prospect of better real growth and lower inflation is there. We can attack both problems at the same time."

Mr. Miller, whose appointment is subject to Senate confirmation, said he did not feel it was appropriate to offer any suggestions about dealing with the problems of the dollar until he assumes his new post.

The plan gives residents of the

1978 to Arrive Late, But Only by a Second

PARIS, Dec. 30 (AP).—Nineteen seventy-eight will arrive one second late. By international agreement, official time signals such as telephone system speaking clocks will announce midnight on Dec. 31 at 61 seconds after 11:59 p.m.

The one-second delay is introduced at regular intervals to adjust official time signals to international atomic time, adopted Dec. 31, 1971, and accurate to one-thousandth of a second. It is measured internationally by instruments based on the decay of cesium atoms.

On Israeli-Held Land U.S. Attempts to Heal Policy Rift With Egypt

From Wire Dispatches

WARSAW, Dec. 30.—President Carter, seeking to heal a new rift with Cairo, today clarified one U.S. position in an apparent attempt to mollify President Anwar Sadat but stuck to another stand that Mr. Sadat called "embarrassing" to Egypt's peace initiative.

Mr. Carter said that, although he has no current plans to visit Cairo on his nine-day, six-nation tour, "I have a standing invitation from President Sadat" and "it is mutually convenient and desirable we will certainly consider" adding a Cairo stop to the trip's flexible itinerary.

The U.S. leader adhered to his stand, expressed Tuesday in an interview a day before he left Washington, that he opposes giving the Palestinians a "new, independent state in the heart of the Middle East." Instead, he said, the United States favors a Palestinian "entity" tied into Jordan—whose leader, King Hussein, Mr. Carter is to see in Iran during the weekend.

In the Washington interview that troubled Mr. Sadat, President Carter also said he considered that Israeli insistence on keeping some troops in currently occupied Arab territory was a reasonable negotiating position.

No Military Settlement

Today, however, in the apparent attempt to soothe Mr. Sadat, Mr. Carter said: "We don't back any Israeli military settlement in the Gaza Strip or on the West Bank."

And Mr. Carter added that the United States has no intention of imposing a solution on the Jerusalem and Cairo regimes in their current peace negotiations. "Any agreement that can be reached between the Israelis and Egypt would be acceptable to us," the President declared.

Commenting on the U.S. leader's Tuesday interview, Mr. Sadat had said that the stand against the independent Palestinian state "surprised, disappointed and embarrassed" him, making his quest for peace "very difficult."

Today, however, Mr. Carter said that his position had not changed, despite the Tuesday interview.

Mr. Carter spoke today at his first news conference outside the United States and the first held by a U.S. president in a Communist-ruled country. He answered questions for 30 minutes.

It was not immediately known whether Mr. Carter heard the same translations of Polish re-

France Is Seen Moving Toward Cruise Missile

WASHINGTON, Dec. 30 (AP).—France, which maintains an independent nuclear striking force, is reported moving toward the development of its own Cruise missile.

U.S. intelligence sources estimate that French research probably could produce such a missile in from 5 to 10 years.

The analysts say that the French government has not yet made a final decision on the scope of Cruise missile research. But they say that French scientists have done much work applicable to Cruise missiles and that French industry could produce most of the components.

Recent reports indicate that the French are working on a small turbojet engine for use in a future Cruise missile, which testing expected in 1979.

More basically, Egyptian analysts are disturbed because they feel that even such specialists as Mr. Carter's national security adviser, Zbigniew Brzezinski, fail to grasp that in the Arab view Mr. Begin's proposal for the West Bank does not constitute a step toward self-determination, but is a negation of self-determination.

The plan gives residents of the

1978 to Arrive Late, But Only by a Second

PARIS, Dec. 30 (AP).—Nineteen seventy-eight will arrive one second late. By international agreement, official time signals such as telephone system speaking clocks will announce midnight on Dec. 31 at 61 seconds after 11:59 p.m.

The one-second delay is introduced at regular intervals to adjust official time signals to international atomic time, adopted Dec. 31, 1971, and accurate to one-thousandth of a second. It is measured internationally by instruments based on the decay of cesium atoms.

porters' questions as did millions of Americans while watching the news conference, which was telecast to the United States by satellite. Mr. Carter wore an earphone giving him an immediate translation of questions posed in Polish.

"It's a great honor for me to be here in Poland to reaffirm and strengthen the historic and strong ties of friendship and mutual purpose which exist between our two countries," Mr. Carter began in his meeting with both Polish and U.S. newsmen at the Victoria International Hotel.

He said he had conducted "very fruitful discussions" with Polish Communist party leader Edward Gierek on issues including NATO (Continued on Page 2, Col. 7)

On Begin's Palestinian Plan Sadat Said to Seek Talks With Carter

By Henry Tanner

CAIRO, Dec. 30 (NYT).—Egypt is anxious to tell the United States that President Carter and his aides have failed to grasp just how fundamentally unacceptable is the plan by Israeli Prime Minister Menachem Begin for limited self-rule for the Israeli-occupied West Bank of the Jordan.

This, Egyptian officials said today, is the message that President Anwar Sadat will give President Carter if a meeting can be arranged for Wednesday, the day Mr. Carter may stop in Egypt on his flight from Saudi Arabia to Paris.

Mr. Sadat spent the day today in Luxor, in upper Egypt, with West German Chancellor Helmut Schmidt, and informed officials late tonight were not yet able to confirm that plans for the brief U.S.-Egyptian summit had been made.

If there is no meeting, the Egyptians will use other channels to convey to Washington their deep anxiety over the Carter administration's current stand, Egyptian officials said.

Egyptian officials today reflected the anger displayed in interviews yesterday by Mr. Sadat over the timing and substance of President Carter's statement Wednesday night advising against the creation of a Palestinian state.

In a clarifying statement, Secretary of State Cyrus Vance later declared that the United States still believed there should be a Palestinian homeland. [The President made the same point Friday; see story above.] But the statement failed to repair the damage done by Mr. Carter's declaration, officials here said today.

The Egyptians are particularly upset, the officials said, because President Sadat had thought that he had received a commitment from Mr. Carter that the United States would use its influence to soften the Israeli position as outlined by Mr. Begin to U.S. officials a week before the Israeli-Egyptian summit on Christmas Day in Jerusalem.

Mr. Begin was invited to Egypt on the basis of Mr. Vance's original judgment that the Israeli leader now was sufficiently "flexible" to permit Israeli-Egyptian progress toward a comprehensive settlement, the officials said.

Timing of Summit
And it was on the basis of Mr. Carter's assurances to Mr. Sadat about the Israeli negotiating position that the Jamalia summit was moved up to Christmas day, the officials added.

The upset in Egyptian eyes is that the United States has a moral obligation to encourage Israel to make concessions on such basic issues as the Palestinian question but decided to exert pressure on Egypt instead.

More basically, Egyptian analysts are disturbed because they feel that even such specialists as Mr. Carter's national security adviser, Zbigniew Brzezinski, fail to grasp that in the Arab view Mr. Begin's proposal for the West Bank does not constitute a step toward self-determination, but is a negation of self-determination.

The plan gives residents of the

1978 to Arrive Late, But Only by a Second

PARIS, Dec. 30 (AP).—Nineteen seventy-eight will arrive one second late. By international agreement, official time signals such as telephone system speaking clocks will announce midnight on Dec. 31 at 61 seconds after 11:59 p.m.

The one-second delay is introduced at regular intervals to adjust official time signals to international atomic time, adopted Dec. 31, 1971, and accurate to one-thousandth of a second. It is measured internationally by instruments based on the decay of cesium atoms.

West Bank a personal choice to become either Jordanian or Israeli citizens but it does not provide for a plebiscite to determine the future status of the territory itself.

"No-Man's-Land"
"Only if the West Bankers had a choice to determine the future of the land they live on could one speak of self-determination," an Egyptian official said. "A territory inhabited by Jordanian and Israeli citizens would be a no-man's-land."

Because of this and other fundamental defects, the Begin plan is not a project that can be improved upon in negotiation, in the Egyptian view.

"What hurts is that Carter and (Continued on Page 2, Col. 1)

strong ties of friendship and mutual purpose which exist between our two countries," Mr. Carter began in his meeting with both Polish and U.S. newsmen at the Victoria International Hotel.

He said he had conducted "very fruitful discussions" with Polish Communist party leader Edward Gierek on issues including NATO (Continued on Page 2, Col. 7)

On Begin's Palestinian Plan Sadat Said to Seek Talks With Carter

By Henry Tanner

CAIRO, Dec. 30 (NYT).—Egypt is anxious to tell the United States that President Carter and his aides have failed to grasp just how fundamentally unacceptable is the plan by Israeli Prime Minister Menachem Begin for limited self-rule for the Israeli-occupied West Bank of the Jordan.

This, Egyptian officials said today, is the message that President Anwar Sadat will give President Carter if a meeting can be arranged for Wednesday, the day Mr. Carter may stop in Egypt on his flight from Saudi Arabia to Paris.

Mr. Sadat spent the day today in Luxor, in upper Egypt, with West German Chancellor Helmut Schmidt, and informed officials late tonight were not yet able to confirm that plans for the brief U.S.-Egyptian summit had been made.

If there is no meeting, the Egyptians will use other channels to convey to Washington their deep anxiety over the Carter administration's current stand, Egyptian officials said.

Egyptian officials today reflected the anger displayed in interviews yesterday by Mr. Sadat over the timing and substance of President Carter's statement Wednesday night advising against the creation of a Palestinian state.

In a clarifying statement, Secretary of State Cyrus Vance later declared that the United States still believed there should be a Palestinian homeland. [The President made the same point Friday; see story above.] But the statement failed to repair the damage done by Mr. Carter's declaration, officials here said today.

The Egyptians are particularly upset, the officials said, because President Sadat had thought that he had received a commitment from Mr. Carter that the United States would use its influence to soften the Israeli position as outlined by Mr. Begin to U.S. officials a week before the Israeli-Egyptian summit on Christmas Day in Jerusalem.

Mr. Begin was invited to Egypt on the basis of Mr. Vance's original judgment that the Israeli leader now was sufficiently "flexible" to permit Israeli-Egyptian progress toward a comprehensive settlement, the officials said.

Timing of Summit
And it was on the basis of Mr. Carter's assurances to Mr. Sadat about the Israeli negotiating position that the Jamalia summit was moved up to Christmas day, the officials added.

The upset in Egyptian eyes is that the United States has a moral obligation to encourage Israel to make concessions on such basic issues as the Palestinian question but decided to exert pressure on Egypt instead.

More basically, Egyptian analysts are disturbed because they feel that even such specialists as Mr. Carter's national security adviser, Zbigniew Brzezinski, fail to grasp that in the Arab view Mr. Begin's proposal for the West Bank does not constitute a step toward self-determination, but is a negation of self-determination.

The plan gives residents of the

1978 to Arrive Late, But Only by a Second

PARIS, Dec. 30 (AP).—Nineteen seventy-eight will arrive one second late. By international agreement, official time signals such as telephone system speaking clocks will announce midnight on Dec. 31 at 61 seconds after 11:59 p.m.

The one-second delay is introduced at regular intervals to adjust official time signals to international atomic time, adopted Dec. 31, 1971, and accurate to one-thousandth of a second. It is measured internationally by instruments based on the decay of cesium atoms.

West Bank a personal choice to become either Jordanian or Israeli citizens but it does not provide for a plebiscite to determine the future status of the territory itself.

"No-Man's-Land"
"Only if the West Bankers had a choice to determine the future of the land they live on could one speak of self-determination," an Egyptian official said. "A territory inhabited by Jordanian and Israeli citizens would be a no-man's-land."

Because of this and other fundamental defects, the Begin plan is not a project that can be improved upon in negotiation, in the Egyptian view.

"What hurts is that Carter and (Continued on Page 2, Col. 1)

To Our Readers

The International Herald Tribune will take New Year's Day off and thus will not appear on Monday, Jan. 2.

Russians Join in Hunt

Wayward Polar Bear Warms Soviet-U.S. Ties in the Arctic

WASHINGTON, Dec. 30 (AP).—The Soviet Union has agreed to look for a presumably pregnant polar bear that wandered into Soviet territory from Alaska while being tracked by a U.S. satellite, a U.S. government biologist said yesterday.

The bear is hibernating in an ice den and "she is almost certainly pregnant," said Duncan MacDonald, a biologist with the Fish and Wildlife Service. She is expected to emerge from the den in April after giving birth. Her movements have been monitored since biologists captured her last June near Point Barrow, Alaska, and fitted her with a radio collar.

The den is on pack ice in the Siberian Sea, in Soviet territory, about 150 miles west of Wrangel Island.

Mr. MacDonald said his agency cabled Moscow several weeks ago asking for Soviet cooperation in studying the bear.

The U.S. Embassy in Moscow said yesterday that the Russians were prepared to mount an expedition over the ice but they warned it might be difficult to find the hibernating bear because of the long Arctic nights.

The bear was one of two fitted with radio collars to learn more about polar bear movements. Contact with the second bear was lost shortly after its release.

Mr. MacDonald said he hoped

that Soviet scientists could obtain important biological information by tranquillizing the bear and conducting an examination.

The satellite data shows that the white bear wandered north from Point Barrow before turning west toward Soviet territory, Mr. MacDonald said. Her present location is more than 1,000 miles from Point Barrow.

The bear probably walked on solid ice most of the time, fishing and hunting on the way. "Some of the time she might have floated on an ice floe but she basically walked all the way," Mr. MacDonald said.

Iran Announces Trade Boycott of Denmark, Italy

TEHRAN, Dec. 30 (Reuters).—Iranian companies said yesterday they have stopped trading with Denmark and Italy following attacks on Iranian diplomatic missions in both countries.

The semi-official Chamber of Commerce, Industry and Mines said that, angered by the leniency with which the attackers were treated, Iranian firms had imposed an indefinite suspension on purchases from Italy and Denmark "in order to show their hurt feelings in a practical way."

Iranian students opposed to the Shah invaded the embassy in Rome this month and were allowed to leave the country after receiving light sentences. In Copenhagen, Iranians who invaded the embassy two weeks ago were deported to West Germany, France, Austria and Sweden.

A Danish agricultural spokesman has said that Iran halted payments and stopped granting import licenses to Danish firms three days ago. Danish exports to Iran are worth about \$100 million a year, according to the Danish ambassador here.

The Italian Foreign Ministry said it had not been officially informed of a boycott, but some blockages of payments had occurred.

Fraud Is Charged By French Left In Absentee Vote

PARIS, Dec. 30 (Agencies).—Prime Minister Raymond Barre has been asked to reply to opposition charges of an electoral fraud, in a mounting row over the votes of French residents abroad in the legislative elections next March.

With the elections expected to be close, the Socialist and Communist press reiterated charges today that French diplomatic missions are drumming up proxy ballots for use by the government coalition parties.

Socialist Party leader Francois Mitterrand said yesterday that he had sent Mr. Barre a written request to make a public statement on the charges. He said that diplomatic missions were gathering proxies which would be used in marginal constituencies where government candidates were in danger of losing to the left.

It is estimated that there are 700,000 French voters living abroad. Under a July amendment to the electoral law, they can register as voters in any French town of more than 30,000 inhabitants, provided the number of foreign proxy votes is limited to 2 per cent of the total vote in such a municipality.

Gaston Defferre, the Socialist floor leader in the National Assembly and mayor of Marseilles, has called the affair "the worst scandal of French election history."



BASE SUPPORT—Italian Premier Giulio Andreotti grips his seat firmly at a press conference in Rome as he says that he has no intention of taking steps to allow the Communist party enter his government.

Andreotti Vetoes New Demand For Regime With Communists

ROME, Dec. 30 (UPI).—Premier Giulio Andreotti rejected today renewed demands to include Communists in an emergency government and said his Christian Democrats would continue to govern alone while relying on others' support in Parliament.

Mr. Andreotti said at a news conference that his party's cord with the Communists and four other parties on legislative activity provides for a stable, capable government and no "irresponsible initiatives" are necessary.

The Premier's minority Christian Democratic government took office in July of last year after the Communists and other parties agreed to abstain in key Parliamentary votes. The government's position was strengthened this past July when the Christian Democrats worked out an accord on crucial economic and law-and-order legislation with the Communists and four other parties.

"A Notable Step" "The situation is clear," Mr. Andreotti said at his end-of-the-year news conference. He said that the Italian Order of Journalists. Since last year we have had a notable step by the parties, particularly the Communists, in helping to deal with the situation.

"Now we have a government and we are not thinking of forming a new government," he said. He reaffirmed his go-it-alone stand a day after the meeting of the Communist party's Central Committee, Giorgio Napolitano, demanded the formation of an emergency government—including

the Communists—to deal with Italy's continuing economic crisis. The Communist demand has had strong backing from the Socialist and Republican parties, both of which say that more direct participation and responsibility for the Communists is necessary to overcome the nation's problems.

"There is a framework of stability that has been enforced by the six-party accord of last July on the internal and international levels," Mr. Andreotti said. "We shouldn't endanger it."

"As long as there are no parliamentary moves to change the political framework, I believe it is the duty of the government... not to undertake any irresponsible initiatives," he said.

Italy's system of a one-party cabinet enjoying parliamentary support from its customary opposition was the result of the last parliamentary elections, held in June, 1976. Although the Christian Democrats maintained a slight edge over the Communists in the balloting (38.8 to 34.5 per cent), neither party was able to form a majority with its traditional parliamentary allies.

The impasse was overcome when the Christian Democrats agreed to informal consultations on legislation and the Communists and other parties agreed in turn to abstain in key parliamentary votes.

In the six-party accord of last July, the interparty consultations were established on a more formal basis.

U.S. Sees Room for Agreement Despite Palestinian Obstacle

By Bernard Gwertzman

WASHINGTON, Dec. 30 (NYT).—Administration officials said yesterday that the United States has undertaken a diplomatic effort to convince Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat that despite their sharp differences over the Palestinian issue there exists a significant opportunity to negotiate an equitable agreement.

The officials said that this strategy was at the heart of President Carter's decision Wednesday night to praise Mr. Begin's 26-point plan for the West Bank of the Jordan River and the Gaza Strip as a "long step forward" and one containing "a great deal of flexibility."

They said that Mr. Carter and other U.S. officials still harbor doubts that Mr. Begin, in the actual negotiations, will make the kind of crucial concessions that would make an accord possible but that it was important to underscore now what the United States perceived as signs of Israeli flexibility and thereby encourage both the Egyptian and Israeli leaders to be open-minded.

In his interview with television correspondents Wednesday night, Mr. Carter also repeated the often-stated U.S. position that there should be a Palestinian homeland or entity but that preferably it should not be an independent Palestinian state.

Palestinian Issue

Since the comment came at a time when Mr. Sadat and Mr. Begin were publicly at odds whether there should be a Palestinian state, Mr. Carter's answer to specific questions gave the impression that he was siding with Israel.

Mr. Carter was in fact praised by Mr. Begin yesterday for his opposition to an independent state. Mr. Sadat said that he was "disappointed" and said that the comment could set back the talks. Instead of a peace accord in two months, Mr. Sadat said, it could take longer.

But administration officials said that they did not believe the President's remarks about a Palestinian state would have a permanently damaging effect on negotiations since his position had already been conveyed publicly and privately to all sides in the Middle East discussions.

The official said that it was possible that the President's seeming endorsement of the Israeli opposition to a Palestinian state had probably embarrassed Mr. Sadat. But the aide said that Mr. Carter had little choice over what to say once the questioner recalled that the President had opposed a Palestinian state and asked him if he still held that view.

"If the President had altered his position one iota, or seemed to fudge on the question, he would have created a lot of confusion and caused the Israelis to go up the wall," an official said.

The official noted that Mr. Carter has said the same thing about a Palestinian state whenever he has been asked in recent months—most recently on Christmas Day in Plains, Ga.

Officials also said that the main emphasis of Mr. Carter's remarks was not to take sides in the Egyptian-Israeli negotiations, but to urge Mr. Sadat and King Hussein of Jordan—who is an interested bystander in the negotiations—to

approach Mr. Begin's plan not as a take-it-or-leave-it proposition, but as a diplomatic "opening" and to offer counterproposals that would put pressure on Mr. Begin to respond flexibly.

In fact, Mr. Carter singled out those aspects of Mr. Begin's plan that seemed to provide the opening for the Arab side to move closer to the Arab demand of an end to Israeli military presence on the West Bank and Gaza and self-determination for the Palestinians in the region.

Five-Year Review

Mr. Begin, in his plan, said that the Arabs should have "administrative autonomy" and that the Israelis would provide security and public order. Mr. Begin added, in point 26, that these and other articles would be subject to review after a five-year period.

Mr. Carter and other U.S. officials have chosen to interpret the five-year review clause as meaning, in Mr. Carter's words, that this plan was only an "interim solution." This suggested that after a fixed period everything would be open to new negotiations, even an Israeli military withdrawal from the West Bank.

Mr. Carter was asked if Mr. Begin was offering a realistic negotiating position, and Mr. Carter said that, in his opinion, he was.

"There is a great deal of flexibility there," he said. "The number of military outposts, the length of time when this interim solution might be in effect, I think Prime Minister Begin said it would be reassessed at the end of five years."

Mr. Carter added that "the exact relationship between the new self-rule government" and the Jordanians and Israelis was "still to be negotiated."

In other words, Mr. Carter was saying to Mr. Sadat and King Hussein that nothing in Mr. Begin's plan was not negotiable unless the Arabs made it that way by refusing to enter into serious negotiations when the talks resume in Jerusalem in the middle of next month.

But Mr. Carter's comments

were also directed to the Israelis as well, officials pointed out. His praise about Mr. Begin's flexibility carried with it an implication that Mr. Begin, in fact, would not be unyielding on important matters of substance.

Secretary of State Cyrus Vance, speaking after Mr. Carter's comments, said Thursday night that the United States has not endorsed Israel's peace plan but believes it is "a good starting point" on the West Bank and Gaza issues, UPI reported. Mr. Vance also said he thought "progress was made" at the Ramallah conference, but added, "expectations were greater than they should have been."

"We believe the Palestinians should play a part in determining their future," he said. "We said we believe there should be a homeland for the Palestinians, preferably linked to Jordan." President Carter made the same point in his press conference in Warsaw Friday.

Sadat Position on Negotiations

U.S. officials have been encouraged by the fact that, despite

the wide publicity given the proposal made at Ramallah, Mr. Sadat has not categorically closed the door to negotiation, but has in fact optimistically predicted an agreement next year.

Mr. Sadat said Wednesday in a news conference that "there are points of disagreement and points of agreement in this plan," and this at least leaves the administration hopeful that behind the scenes it can help devise a compromise solution.

But the history of Middle East diplomacy is filled with dashed hopes, and a high official's statement about the public nature of the current peace efforts. He said that it was "characteristic" of the Arabs to allow Israel to make a public peace plan and not to let it outright. He noted that keeping with this long tradition, Jordan rejected the Israeli plan yesterday.

But Mr. Sadat, whose prestige is at stake in achieving an accord because of his decision to go to Israel last month, has so far remained interested in continuing negotiation.

Carter Tries to Soothe Sadat With Explanation of His Stand

(Continued from Page 1)

activity, negotiations for force reductions in Europe, strategic arms limitation "and general commitments to peace in the future."

The President said that he has found no "significant disagreement" in the talks with Mr. Gierak.

He announced that Washington would grant Poland an additional credit of \$300 million for food and feed-grain imports to relieve shortages, making a total of \$500 million lent for this purpose for the coming year.

Mr. Gierak promised to give personal attention to the problems of Poles seeking to join families in the United States, Mr. Carter said.

On human rights, the President said it was proper to insist on rigid enforcement of the human rights sections of the European Security Conference agreements signed in Helsinki in 1975.

Mr. Carter said Poland's record on human rights is much better than that of some other European countries, and there is a substantial degree of freedom of the press and religion in the Communist-ruled nation.

Mr. Carter said that Poland's good offices can be helpful in aiding U.S.-Soviet relations.

"Poland's good offices can be of great benefit to us," the President said.

Carter-Gierak Talks Reported Far-Ranging

(Continued from Page 1)

age 10, described Cardinal Wyszyński in Polish as "a great statesman who has played a great role in the life of this nation." Asked to expand on his comment, he said: "I've said quite a lot."

The cardinal gave Mrs. Carter a rosary, and also handed Mr. Brzezinski a rosary for his octogenarian mother, who lives in Canada. The White House said that only Mr. Brzezinski had planned to make the call, but Mrs. Carter decided to go along.

Ordinarily, Communist officials might have been irritated by the side visit to the cardinal's palace. But Mr. Gierak, who had an unprecedented meeting with the prime minister two months ago, is now eager to enlist active church support in coping with Poland's serious economic problems.

Before his meeting with Mr. Gierak, President Carter placed wreaths at the Tomb of the Unknown Soldier, the Nike statue and the Warsaw Ghetto monument in a round of ceremonial visits under somber, snowy skies.

Mr. Carter, his wife and wear-

ing a blue topcoat, paused for a moment in silent prayer and placed a gloved hand to his face in a gesture of humility before the Warsaw Ghetto monument, a stone memorial to the thousands of Jews who held out in the walled ghetto against the Nazis during a short-lived uprising in 1943.

The President then walked over to shake hands with weeping Poles, many of whom showed "Casper" (Carter). Commenting on the ghetto uprising, Mr. Carter told the Poles: "They died alone but they live in our conscience." He said his visit to the towering black-stone memorial was a very moving moment.

At the Tomb of the Unknown Soldier, Polish and U.S. flagshipped in the chill wind and the muffled drums of a Polish honor guard sounded a cadence as Mr. Carter placed the wreath on the tomb, a testament to the heroism of an 18th-century Polish soldier destroyed by the Nazis.

Mr. Carter, accompanied by his wife, shook hands with Polish veterans after the ceremony and signed a guest book, just as former Presidents Gerald Ford

and Richard Nixon did on their trips to Poland.

Pravda Report

MOSCOW, Dec. 30 (AP).—Soviet Communist party newspaper, Pravda, said today that President Carter had begun a six-day tour but did not mention that his first stop was the East-West state of Poland.

The Washington-dated line item, which criticized Mr. Carter for supporting Israel's Middle East peace plan and approving creation of a Palestinian state, is one of Mr. Carter's itinerary that includes Iran and Saudi Arabia, but did not mention the other stops—Poland, Italy, France and Belgium.

Jordan Seen Afloat

AMMAN, Dec. 30 (UPI).—King Hussein will tell President Carter in Tehran this weekend that Jordan cannot participate in the Egyptian-Israeli negotiations under present circumstances, and he will appeal to the United States to use its influence to prevent a threatened breakdown of the Middle East diplomacy, according to Jordanian officials.

Soviet Rights Movement at Low Point After Crackdown on Dissidents

(Continued from Page 1)

respondents. The information the dissidents provided, sent to the West by news agencies, came pouring back in Russian, on broadcasts by the Voice of America and the British Broadcasting Corp.

The dissidents' heady sensation of having their words amplified so that their countrymen could hear began a chain of communication and reinforcement that has persisted despite the repeated efforts of authorities to break it.

Those early months set the pattern for a decade. As intellectuals pleaded for public trial and for compliance with the rights set forth in the Soviet Constitution, and as they conveyed reports of injustices in the courts, some were arrested and those arrested in turn provoked new protests and more arrests.

Disparate Streams When philosophical discussion has occurred, it has tended to divide the dissidents by accentuating their differences, for the movement really consists of parallel, disparate streams that flow together occasionally, then move apart again. At least six such currents can be identified.

The most Western-oriented is that represented by Mr. Sakharov. He and those around him are known here as democrats, for he has advocated the evolution of a multiparty, democratic state tolerant of criticism and diverse opinion.

He has also spoken for the right of all to live where they wish, thereby supporting the second large group of dissidents: Jews striving to emigrate. (Although some conflict has existed between those who want to leave and those who want to stay and change the system, it has diminished recently in recognition of the impact that free emigration probably would have on the authorities' responsiveness to citizens' concerns.)

The third strain of dissent is a form of Soviet nationalism, or nostalgia for the roots of Russianness to be found in the Rus-

sian Orthodox Church, in the village customs. Its most prominent representative was Alexander Solzhenitsyn, another Nobel laureate, whose first volume on the Stalinist labor camps, "The Gulag Archipelago," resulted in his expulsion in 1974. Among those left behind are some who see Marxism as an alien, un-Soviet ideology and some whose views contain overtones of racism, Russian supremacy in the Soviet Union and anti-Semitism.

The historian Roy Medvedev articulates the fourth line of dissent: Democratization within the bounds of Communist party preeminence. He believes that free debate is essential—rather than anathema—to an efficient economy and a robust Communist ideology.

Religious Groups Religious observers compose a fifth group. Baptists, Seventh-Day Adventists, Pentecostals, Lithuanian Roman Catholics, Russian Orthodox believers and others have protested the denial of religious freedom.

Finally, the country is laced with ethnic minorities, such as

nationalities as Georgians, Lithuanians, Ukrainians and Tatars, which struggle for the preservation of their cultures, languages and traditions.

What began to happen a year and a half ago, and what apparently provoked one of the most carefully executed crackdowns in the last decade, was a coalition of dissidents, including Jews seeking emigration, ethnic nationalists and, to a lesser extent, religious believers.

The catalyst was the European security document signed at Helsinki in August, 1975, by the United States, the Soviet Union and 33 European states. Its provisions included a call for more humanitarian behavior by governments: reunification of families across frontiers, increased contact among peoples and the improved flow of information internationally. The pact created common ground for the dissidents, and nine activists formed a group in May of last year to monitor Soviet compliance. Similar "Helsinki watch committees" appeared in Kiev, Tbilisi, Yerevan and Vilnius, and all began issuing periodic reports on violations.

Yuri Orlov, a physicist who headed the Moscow watch committee, undertook to establish links between the groups of dissent. He introduced Georgian nationalists to Jewish activists in Tbilisi and democrats to nationalists in Moscow. Zealous and tireless, he brought to the movement a political acumen that Mr. Sakharov, a more academic moralist, did not possess.

The Crackdown The foundation for a crackdown was laid by the accelerated dissident activity, the growing unification of previously fragmented elements of disaffection, the persistent problems of the Soviet economy and the danger of a coalition between spokesmen for workers' grievances and human rights activists—plus the centrifugal tendencies in European Communism.

The campaign by the KGB, the secret police, began in the

fall of last year when a dozen Jews were seized in the detention area of the Supreme Soviet—the legislature—based to the outskirts of Moscow and beaten by plainclothesmen. Jews planning a cultural seminar were subjected to house searches, confiscation of materials and detention. Activists were called in repeatedly for interrogation and warned that criminal cases were being prepared.

In January of this year, before President Carter took office with his outspokenness on human rights, Mr. Orlov, the head of the Moscow watch committee, was picked up and told that he and others would be prosecuted.

The KGB used a blend of toughness and softness to get rid of key dissidents.

Some who had tried for years to emigrate, such as Vitaly Rubln, a St. Petersburg and founding member of the Moscow committee, and Vladimir Poin, chief organizer of the extensive cultural seminars, suddenly were granted exit visas.

Fetted Emigration Some who did not want to leave were threatened and forced to emigrate. The head of Amnesty International, Mr. Tushnet, was told by a KGB official that he would never work again as a mathematician in the Soviet Union and was led to believe that he would be arrested if he stayed.

Sixteen members of Helsinki watch groups have been arrested this year, including Mr. Orlov; Alexander Ginzburg, who administered a fund for political prisoners with money sent by Mr. Solzhenitsyn; Anatoly Shtokarsky, a Jew who seeks to emigrate and who worked as a public relations man for the dissidents; Arkady Rudenko, a poet and a head of

the Kiev group, and Zviad Gamsakhurdia, a Georgian separatist and head of the Tbilisi committee.

Most of the nine founding members of the Moscow group are in jail, in Siberian exile or in the West. Only one remains at home—Yelena Bonner, Mr. Sakharov's wife, who has had to go abroad for medical treatment.

Although the watch group has been replenished, the losses have dulled its political momentum. It failed to take advantage of the attention focused on the follow-up conference in Belgrade in October at a news conference its members were not prepared for questions on their views of the West's handling of human rights issues at the meeting and declined substantive comment.

The dissidents issued no detailed analysis of the Soviet Constitution adopted in October.

Sakharov Isolated Lacking friends and colleagues who understand something about Western opinion, Mr. Sakharov has struck some dissidents as increasingly isolated and even bitter. He has lashed out several times at the U.S. press, accusing it of giving dissent too little attention.

The most charismatic and eloquent of the new generation, Alexander Podrabinek, has been the target of threats and pressure in the form of a falsified case against his older brother designed to force the family to leave the country or face prosecution. A 24-year-old medical assistant, he has collected data on the abuse of psychiatry. As others have disappeared from the movement he has stepped in to fill the gap as a clearing house for reports of political arrests.

"I do not want to sit in prison," he said. "I value even the image of freedom, which I have now, I know that in the West I could live freely and receive. Finally, a genuine education." I know that there I would not be followed by four or five agents threatening to beat me or push

me under a train. I know that there I would not be placed in a concentration camp or a psychiatric hospital for trying to defend the rightsless and the oppressed. I know that there I could breathe freely, whereas here—travelling, they stop you, your mouth is another you, if you speak too loudly, I know that our country is unhappily doomed to suffering. And therefore I will say."

"I do not want to sit behind bars, but I am not afraid of prison camp," he continued. "I was born in Russia. It is my country and I must remain in it even if it is difficult here and away in the West. As much as I can I will try henceforth to defend those whose rights are so brutally trampled in our country. That is my answer. I will stay."

Soviet Scientist Repeats Neutron Bomb Warning

MOSCOW, Dec. 30 (UPI).—For the second time in a week, the Soviet Union has warned the United States that it will take up the challenge if the United States develops and deploys the neutron bomb.

Soviet President Leonid Brezhnev last week said that the Soviet Union would not stand by quietly if the United States developed or deployed the weapon.

And prominent Soviet scientist said yesterday that his country would have to act in self-defense, even though it does not like "rattling sabers."

"If the neutron bomb is developed in the West, as Leonid Brezhnev said, the U.S.S.R. will not remain a passive onlooker," Vasil Fedotkin told Tass.

A neologism by training, Mr. Fedotkin has worked in the Soviet atomic program for more than 20 years. He has been deputy chairman of the Soviet Committee on the Use of Atomic Energy since 1962.

HARRY'S N.Y. BAR®
PARIS & MUNICH
wishes you
HAPPY DAZE FOR 1978

JUDSON SCHOOL

Western and English Bilingual INTERNATIONAL STUDENT BODY

SMALL CLASSES, TUTORIAL, EXCELLENT FACULTY, ALL SPORTS INCLUDING RIDING, RODEO, SWIMMING, TENNIS, SOCCER, FOOTBALL, BASEBALL, etc.

DENNIS F. GRAY, Headmaster
Interviewing September 1978 applicants:
ENGLAND:
LONDON: 5-8 January, Inn on the Park (Hyde Park).
SAUDI ARABIA:
DHAHRAN: 8-11 January, Aramco School.
RIYADH: 12 January, Al Yamamah Hotel.
JEDDAH: 18 January, Kandara Palace.
UNITED ARAB EMIRATES:
DUBAI: 14-16 January, Intercontinental Hotel.
KUWAIT:
KUWAIT: 17-18 January, Kuwait Hilton.
IRAN:
TEHRAN: 19-20 January, Intercontinental Hotel.
Please telephone hotel for appointment.

For brochure, write:
Henry C. Wick, III, Judson School, Box 1568 M, Scottsdale, Arizona 85252.
Telex: 669440.

SCOTTSDALE ARIZONA U.S.A.

Founded in 1928

COED RANCH SCHOOL BOARDING & DAY STUDENTS

BOARDING 1-12 GRADES

FULLY ACCREDITED COLLEGE PREPARATORY & GENERAL COURSES

DEVELOPMENTAL READING, ART, MUSIC, DRAMA, REMEDIAL ENGLISH & MATH, BUSINESS, PSYCHOLOGY

SPECIAL PROGRAM ENGLISH AS A 2nd LANGUAGE

دولت اسلامی

In-Pressing for Energy Bill

Schlesinger Warns Congress Of Increase in U.S. Oil Prices

By Richard T. Cooper

WASHINGTON, Dec. 30.—Energy Secretary James Schlesinger, in an apparent effort to put new pressure on Congress, said yesterday that the Carter administration "will be forced to consider" raising oil prices unilaterally if the deadline on President Carter's energy program is not broken soon.

Gradually increasing prices of domestic oil and natural gas as a means of discouraging consumption.

U.S. to Name FBI Ex-Aides In Corruption

By Ronald J. Ostrow

ATLANTA, Dec. 30.—Despite differing opinions among his subordinates, Attorney General Griffin Bell will name a report next week on allegations of FBI financial corruption that will name seven or eight former top-level officials.

Mr. Bell said in an interview that Justice Department lawyers had rendered three opinions on whether making the report public would run counter to Privacy Act provisions, "and they're not in full agreement."

"I hope we're not going too far in invading privacy," Mr. Bell said. "But when the public interest is involved, it seems to me that the public has a right to know. If you write some skeleton thing where you use X, Y or numbers (instead of names), it doesn't make much sense."

Mr. Bell, here for the holidays and to speak to the annual meeting of the Association of American Law Schools, did not identify the former officials cited by the report.

Hoover, Tolson

But sources familiar with the nearly two-year-long investigation of alleged abuses of power involving FBI funds, services and materials said the report describes activities of the former FBI director, J. Edgar Hoover, and his long-time associate, the late Clyde Tolson. The report is also understood to deal with former Assistant FBI Directors John Mohr and Ivan Conrad.

The report will clarify the mystery of why former Attorney General Edward Levi ordered FBI Director Clarence Kelley to fire the bureau's second-highest man, Nicholas Callahan, on July 18 of last year, Mr. Kelley said earlier this month.

Mr. Bell said in the interview that he had sounded out four persons about their interest in succeeding Mr. Kelley when he retires in February. He expects to have their responses early next week, he said.

Experience Unchecked

Only one of the four, all of whom Mr. Bell discussed with President Carter at a White House meeting on Dec. 30, has experience in administering an agency, Mr. Bell said. He would not identify the agency.

"It is very difficult to find a lawyer or a judge who is a proven administrator, because what judge or lawyer has administered a large thing?" Mr. Bell asked.

He described the four prospects for director as "people who have established reputations that are more than local. All have had public service of one kind or another, and they're people who have made records which would have caused the public and bureau personnel to have confidence in them," he said.

Los Angeles Times

U.S. Said to Probe Brazil, Salvador Coffee-Price Bid

NEW YORK, Dec. 30 (AP).—Federal officials reportedly are investigating coffee purchases made by agents of Brazil and El Salvador in an effort to determine whether the two coffee-producing countries conspired to keep prices high here.

The New York Times, in today's editions, quoted "well-informed trade and regulatory sources" as saying that the government was probing activity that was designed to maintain high coffee prices at a time when market forces might otherwise have brought them down.

Elements of the alleged price-influencing conspiracy included purchase of huge blocks of coffee futures—coffee for delivery at a later date at a predetermined price.

Brazil also is reported to have earmarked \$100 million for tactics to keep the price of coffee high.

The Commodity Futures Trading Commission acknowledged that it was conducting the investigation but refused to provide details. The Times said.

24 Killed as Truck, Bus Collide in Spain

PONFERRADA, Spain, Dec. 30 (Reuters).—At least 24 persons were killed and 23 injured today when a truck and a bus, carrying Spanish marines, collided near Ponferrada, north of Madrid, police said.

The marines were returning from Christmas leave when the crash occurred on a mountainous road.

tion and thus reducing imports is a key element in the Carter program, but House and Senate conferees considering the package have been stalemated on the pricing provisions since October.

If a compromise cannot be reached soon after Congress returns next month, Mr. Schlesinger said, the administration will consider using legal authority it already has to impose fees on imported oil—a device used briefly by former President Gerald Ford in 1975.

Import Needs

Since the United States now depends on imports for almost as much of its total petroleum needs, raising prices on imports would indirectly raise the price of almost all petroleum products sold in the United States.

Mr. Schlesinger acknowledged that an abrupt curtailment of oil imports could have "drastic economic consequences," but he said the need for action on U.S. energy problems is so great that the administration would have to consider acting on its own if agreement cannot be reached in Congress.

"Every day that passes, the clock is ticking and we are losing an opportunity to adapt the country's economic structure to the time when energy will be less plentiful," he said, declaring that the economic adjustment will be more severe as more time is lost.

"Failure to adapt the economy" to higher prices and shorter supplies of oil and natural gas by reducing consumption will create major problems both in the United States and in the world economy," he said.

Administration officials have hinted before about the possible use of import fees, authorized under a 1963 law called the Trade Expansion Act and upheld by the Supreme Court last year.

Los Angeles Times

U.S. and Rights Groups Agree To Settle 3 Key Bias Cases

By David E. Rosenbaum

WASHINGTON, Dec. 30 (NYT).—The Department of Health, Education and Welfare and several organizations representing minority groups, women and handicapped persons have agreed to settle three long-standing suits that charged the department with failure to enforce laws against discrimination.

In papers filed yesterday in the United States District Court here, the department agreed to a schedule for eliminating a backlog of thousands of complaints, most of which charge violations of civil rights laws.

Joseph Califano Jr., the department's secretary, said at a news conference that the settlement was "in the best interest of all those who are victims of discrimination and who stand to benefit from an aggressive civil rights enforcement effort by this administration."

Joseph Rauh Jr., the civil rights lawyer, who represented several of the plaintiffs in the suits, called the settlement "a very big step forward for civil rights enforcement."

The main elements of the settlement were as follows:

- The department agreed to try to eliminate its backlog of more than 3,000 complaints by Sept. 30, 1979.

- It agreed to act on complaints not only in the 17 Southern and Border states where it is under court order to act but also in the rest of the country.

- The organizations who sued the department agreed to permit the department to expend greater effort on investigating overall compliance with civil rights laws in institutions such as school districts and universities instead of concentrating on individual complaints of discrimination.

U.S. Publishers Ask Passport for Iranian

NEW YORK, Dec. 30 (WP).—A group of U.S. publishers has appealed to President Carter and U.S. business leaders to intercede with the Shah of Iran, Mohammed Reza Pahlavi, and his wife on behalf of an Iranian writer who has been denied a passport. The publishers want to invite the writer, Gholam Houshain Sa'edi, to visit the United States to discuss publication of his work in English and to meet other writers. He was instructed by Iranian officials not to go and was told he would not be granted a passport, said Winthrop Knowlton, president of Harper and Row.

Lisbon Air Strike Ends
LISBON, Dec. 30 (AP).—Pilots of the Portuguese airline TAP today ended their 10-day strike after reaching an agreement with the company on salaries and working conditions.



FIGHTING THE ELEMENTS—A tow-truck operator rides a steel cable back to shore after tying it to the vehicle stranded in the raging Santa Ana River near San Bernardino, Calif. The driver of the vehicle had tried to drive it across the river, not realizing that it had been swollen by torrential rains recently.

Associated Press

Wanted Influence Beyond Congress

Seoul Reportedly Sought Vast U.S. Lobby

By Richard Halloran

WASHINGTON, Dec. 30 (NYT).—In the late summer and fall of 1970, according to freshly disclosed intelligence, South Korean President Park Chung Hee presided over a series of meetings to plan for exerting a broad range of influence in the United States to assure the continued defense of South Korea.

The new disclosures, from U.S. sources that had direct access to the 1970 and 1971 reports of the CIA, show that the meetings were wider in scope than was previously known. Earlier reports indicated that the meetings were limited to efforts to influence Congress.

Among those reportedly at-

tending the meetings were Premier Chung Il Kwon, the director of the Korean Central Intelligence Agency; Lee Hu Rak, the head of the presidential security guard; Pak Chong Kyu, and other senior advisors.

The meetings reportedly began with discussions on how to delay a planned U.S. withdrawal of 20,000 of the 60,000 U.S. troops in South Korea and to speed the delivery of \$1.5 billion in U.S. military assistance intended to modernize the Korean armed forces.

Discussions Broadened

But the discussions broadened into plans for even greater influence over policies made by the U.S. administration and Congress.

The South Korean leaders further assessed the possibilities of influencing U.S. academicians, journalists and businessmen in an overall plan to tie the United States to South Korean defense.

There were other meetings in early 1971 to discuss raising funds for intelligence operations in the United States, according to intelligence reports seen by the House subcommittee on International Organizations, which is investigating South Korean attempts to influence U.S. policy. Those meetings included Tongson Park, who was to become Seoul's covert political agent in Washington; Pak Bo Hi, a lieutenant to the Rev. Sun Myung Moon, and KCIA officials.

The sense of urgency in South Korea was caused by fear that Washington was about to abandon Seoul. For more than two years, the intelligence reports show, the South Koreans had seen repeated U.S. actions that they thought pointed in that direction.

The South Koreans considered the responses of the United States to North Korean provocations were subdued. They were unhappy with the Nixon administration policy of calling on Asian nations to provide their own front-line defense. They were concerned over the sentiment against the Vietnam war that was sweeping the United States.

Troop Withdrawal

But the trigger was the decision in the spring of 1970 to withdraw the 20,000 troops.

The climax came in long and acrimonious meetings between President Park and Spiro Agnew on the U.S. vice-president's visit to Seoul in August, 1970. Mr. Park demanded a written guarantee that the United States would fight to defend South Korea, that no more troops would be withdrawn, and that the United States would provide \$3 billion in military assistance over the following five years.

Mr. Agnew, however, could promise only that the administration would seek additional military assistance from Congress. The other demands he could not meet because of both policy and constitutional reasons, since congressional approval was necessary. After

Bangkok Curfew Lifted
BANGKOK, Dec. 30 (Reuters).—Thailand's National Assembly voted today to lift a 1 a.m.-to 4:30 a.m. curfew imposed in Bangkok since the military coup 16 months ago.



WASHINGTON, D.C.

A Renaissance of Graciousness

A luxury hotel in the great European tradition. Elegant, quiet, unruffled—over a convention.



THE MADISON

Washington's Correct Address
15th & M Streets, N.W., Washington, D.C. 20005
Telex 64245

or see your travel agent
Marshall B. Coyne, Proprietor

NOBODY
IN EUROPE CAN BEAT OUR ROCK-BOTTOM
TAX-FREE EXPORT PRICES!

MICHEL SWISS
16, RUE DE LA PAIX
PARIS

ALL PERFUMES • COSMETICS
BAIES • SCARVES • TIES
HAUTE COUTURE
FASHION ACCESSORIES
FLAWLESS MAIL ORDER DEPARTMENT
FREE SAMPLES
Phone: 261.71.71

By U.S. Ex-Envoy in House Panel Testimony

Value of CIA Propaganda Effort Questioned

By John M. Crewdson

WASHINGTON, Dec. 30 (NYT).—A retired U.S. ambassador told a House subcommittee yesterday that the risk of exposure and embarrassment attached to the CIA's worldwide propaganda operations, combined with questions about their effectiveness, outweighed whatever political value had been derived from the operations over the years.

William Trueheart, a career Foreign Service officer who served as ambassador to Nigeria, told members of the House Permanent Select Committee on Intelligence that the most serious problem with such propaganda efforts was that they had never been subjected "to the sort of high-level review and supervision which should be accorded covert action operations."

"I have reluctantly concluded," Mr. Trueheart said, "that the game is not worth the candle, especially when one considers that USIA [the United States Information Agency, an arm of the State Department] and the Voice of America are working by covert means at most of the same objectives."

Mr. Trueheart was one of three former ambassadors who appeared before the intelligence panel's oversight subcommittee at the end of the first week of hearings on several facets of the CIA's past involvement with the foreign and domestic press.

The Effects

In addition to its examination of the effects of propaganda planted by the CIA overseas, the subcommittee is considering, although without attempting to uncover any new facts, the efficacy of the agency's past practice of secretly employing some U.S. journalists as intelligence agents.

In its first three days of hearings, the subcommittee has focused on the extent to which false propaganda disseminated

by the CIA through hundreds of foreign-based "assets" in the press has contaminated news reports flowing back to this country from overseas.

Most of the witnesses, who have included journalists, former intelligence officers and, yesterday, Mr. Trueheart and his two former State Department colleagues—retired Ambassadors William Porter and Dean Brown—have agreed that the concern is a legitimate one but without any practical solution.

Rep. Les Aspin, D-Wis., the subcommittee's chairman, told the witnesses that he had heard what he described as "horror stories" about U.S. officials, who had been deceived by, and acted on, false news stories or other propaganda spread by the CIA overseas.

In one instance, Rep. Aspin said, a U.S. intelligence analyst had been "completely taken in" by what appeared to be a clandestine radio transmitter broadcasting from China. The deception was allowed to continue for some time, Rep. Aspin said, before the official was informed that it was only a CIA propaganda operation.

All three of the former ambassadors replied, however, that such instances had been rare, and that they had regularly been advised by CIA officials in their embassies to ignore news stories and editorials planted by agency operatives in the local press.

Mr. Porter, who has served as ambassador to South Vietnam, South Korea and Canada, added that he had never been certain that such bogus propaganda had been very effective "because it's too easily detected. I think Chairman Mao died about six times before he finally made it."

Mr. Brown, who has served as ambassador in Africa and the Middle East, said that on some occasions he or his representatives had gone so far as to caution U.S. correspondents in the area

that "if you hear this or that, it's part of the psywar action." Psywar is the CIA's term for psychological warfare.

"We did our best to alert responsible people," he said. "Of course, when the Europeans picked it up and pushed it into their capitals we didn't do too much to correct the impression they were getting."

Yesterday's witnesses agreed with those who had appeared earlier in the week that the CIA directive issued earlier this month restricting the agency's relationships with U.S. journalists would probably do little to dispel suspicions among foreigners that U.S. correspondents, like those of many other countries, were performing intelligence services on the side.

The ambassadors were divided, however, over the desirability of such a regulation. "I frankly don't think it's as categorical as I would like," Mr. Trueheart said. "I'd like to think it made the point that it's inappropriate for a journalist to be employed by the government."

Mr. Porter disagreed, saying that he believed the first loyalty of a U.S. journalist should be "to his government" and not to the news organization that pays his salary.

"I do know that there are very many reporters who would agree with you," replied Rep. Edward Boland, D-Mass., who is chairman of the full House Intelligence Committee.

the DIAMOND for you

Now you have the opportunity to buy quality diamonds and diamond jewelry for investment, gifts or personal use at first source prices from the leading diamond company servicing satisfied clients throughout the world. Contact us for full information or visit us.

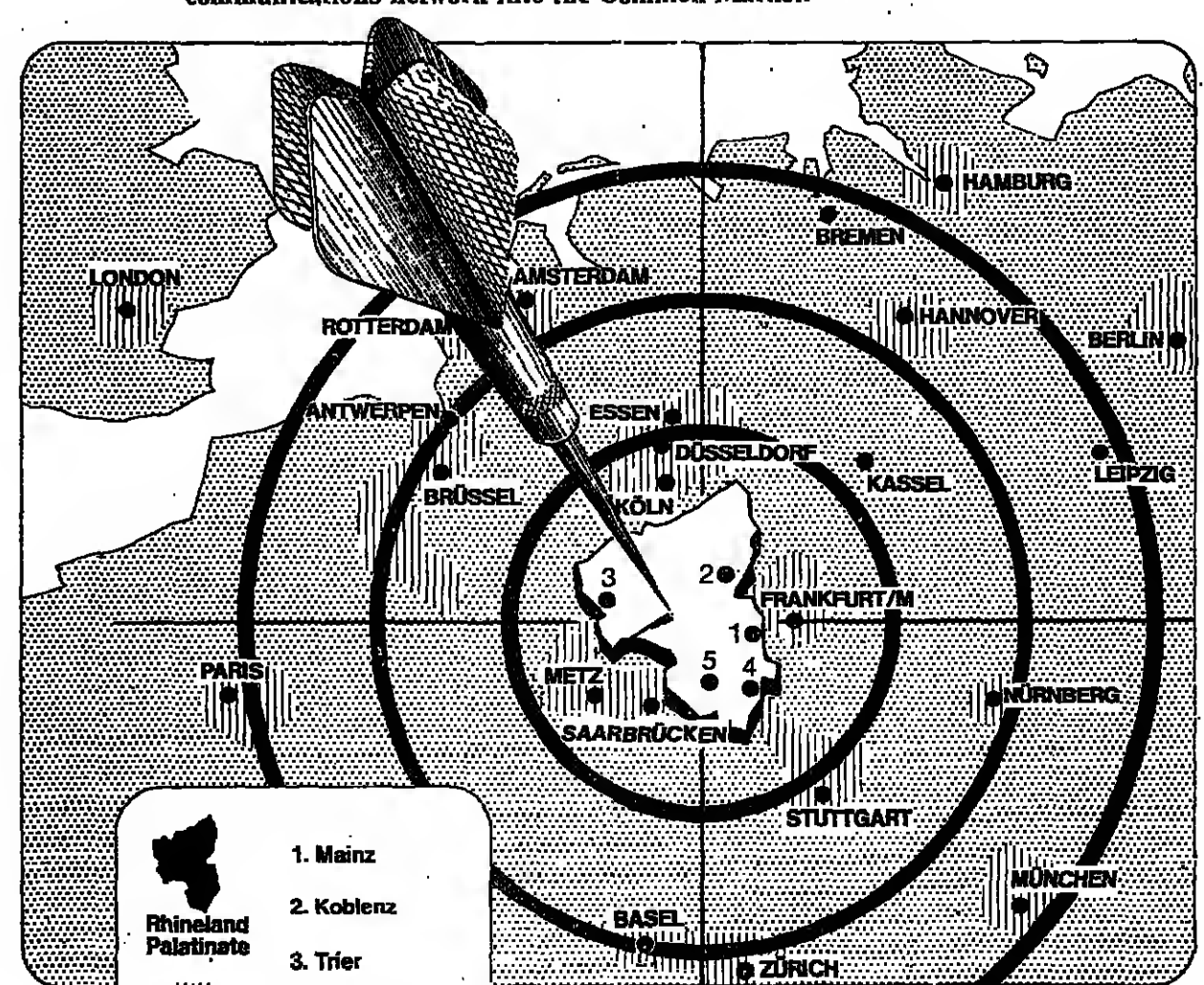
INTERNATIONAL DIAMOND SALES

HEAD OFFICE:
DIAMOND SOURCE
51 HOVENHUISSTRAAT
2000 ANTWERP - BELGIUM
Tel. (031) 31.23.85
Telex 35395 INOISIA B.

LONDON SHOWROOM:
THE SAVOY HOTEL
THE STRAND
LONDON WC2R 0EP
Tel. (01) 836 440
ALL DIAMONDS GUARANTEED BY CERTIFICATE

YOUR COMPANY HAS A FUTURE IN THE RHINELAND PALATINATE

ATTRACTIVE INDUSTRIAL SITES, owned by the local authority and most attractively priced. Factory sites tailored to meet required sizes. Location at the hub of a superb communications network into the Common Market.



The Rhineland Palatinate hub of the Common Market

Full information about financing, available subsidies and all other necessary details can be obtained free and without obligation from:

Rheinland-Pfälzische Gesellschaft für Wirtschaftsförderung mbH, Schillerplatz 7, 6500 Mainz, Tel.: (06131) 27358

New Year's Clouded Crystal

This earth on which we live does not take a deep breath when it completes an orbit and then start off with renewed vigor on the next. It has been making these revolutions too long to take much account of them—and, besides, which calendar would it use to determine what part of the elliptical swing was the end of an orbit? Even the humans who swarm over their planet's surface dispute that question. But when their new year comes, whatever their calendar, somehow they find time for reckoning the past, estimating the future, and rejoicing that another year has passed, with whatever happiness or sorrow it brought.

And what men and women appraise in their individual lives, mankind tends to sum up for its multiplying self. There are always reasons for concern: Food is scarce in many places; the weather is uncertain, and great blasts of wind and rain, or long, scorching days of drought bring peril and even death; the earth trembles and buildings fall; spreading populations waste the soil and consume its energy. Yet man refuses to concentrate on these dangers, which are the common lot of all peoples.

Rather, he builds his defenses and directs his aggressions against his fellows, because their skin color is different, their speech strange, their religious faith is derived from a different source or stated in a different form from his own.

There are wars of sorts in Ogaden and the Western Sahara, on the edges of Cambodia and in the heart of southern Africa; there is terror in Rome and Belfast and Ramallah and many cities where aspirations find expression in bombs rather than arguments. And where there is no open war or terrorism

there are men in arms, and strange new weapons of tremendous power.

Yet for all his self-inflicted woes, or those which his unstable environment inflicts upon him, man can still look to 1978 with some degree of hope—even if he remembers that he or his predecessors did the same in 1914 and 1939. For fighting against the blind animosities, the perilsous fanaticisms, the sheer irrationality that comprise the human tragedy, there are forces of goodwill and sanity that seek to make this world a home for all of those who live upon it.

These forces can be glimpsed in the Middle East and in Rhodesia; in discussions of weapons and manpower among the great powers; in negotiations over fuel prices and attempts to relate food supplies to need. They can be found in CARE packages and the Peace Corps, in efforts to end Northern Ireland's misery and to patch up the woeful legacy of the long fighting in Vietnam; in movements to bring human beings into lawful and equitable relations with one another.

Which force will triumph? The glass through which man views the year ahead is clouded, and hope and fear are necessarily mingled. It is too much to expect that humankind can make a paradise of this earth, where so much selfishness and misunderstanding and hate have been rooted so deeply. But the worst can be averted—the holocaust of global war. Matters can be adjusted here and there: food shipments can continue to replace troop transports and aerial bombing. For under all the insanities and greeds lies a spirit of constructive work that has kept humanity alive against all the elements—including man—that have warred against it. And that spirit will not die.

Changing Command at the Fed

As an example of political surgery, President Carter's replacement of Arthur Burns as chairman of the Federal Reserve Board appears to be a success. The nomination of William Miller, the head of Textron, Inc., suggests no great or sudden change in policy, which ought to reassure businessmen. But neither is it a commitment to maintain precisely the Burns position. By choosing the head of a large industrial company, Mr. Carter offers an interesting hint as to precisely which part of Mr. Burns's constituency he considers most important. It isn't the banks and the stock markets. It's the corporations, who actually control real investment—the people who decide whether, and where, to build the new plants.

As Mr. Burns prepares to leave office, he can justly reflect that he has earned the great gratitude of his country. He has served the Fed and the United States extraordinarily well. He brought to that office personal rectitude, candor and intellectual grasp—qualities of enormous value during the long collapse of the corrupt Nixon presidency and the confusion of the transition to the Ford administration. In those years he became a symbol of stability.

Then why not reappoint him as chairman of the Fed? Because he had been in the job for eight years and—as Mr. Carter put it in his television interview Wednesday evening—eight years is enough. There is an extensive history in Washington of men who have stayed in their jobs too long at great cost, eventually, to their own reputations and the institutions they ran. The theory of the indispensable man is dangerous, not least in an agency like the Fed, which does most of its work behind closed doors.

People who have been in high office for many years acquire battle scars that can hinder them as circumstances change. For example, the Fed presided over unusually rapid growth of the money supply in 1972. It was consistent with the Nixon administration's vigorous—and, as it later turned out, highly inflationary—strategy to crank up the economy for the 1972 election. The claim

that the Fed was purposefully collaborating with the White House in that strategy remains unproven. It's not even possible to say with certainty that the Fed's policy in 1972 was wrong, given the information available to it at the time. Certainly Mr. Burns has always heatedly denied that he was helping the Nixon campaign.

The point here is that he remains sensitive to this accusation; ever since then he has leaned over backward to avoid the slightest appearance of using the Fed's immense influence for anything that might be perceived, by the stretch of anybody's imagination, as a political purpose. Perhaps some of the recent friction between him and the Carter administration can be attributed to this posture. But not all presidents are Mr. Nixon, and some of them are even occasionally right. That's why it is useful, from time to time, to change the command at powerful agencies like the Fed.

Mr. Miller, nominated to succeed Mr. Burns, has had more international experience than most U.S. businessmen. Another interesting aspect of his record is the attention that, as corporate executive and as chairman of the National Alliance of Businessmen, he gave to the specific creation of jobs. That's a promising background. This country is now running very large trade deficits, and the Fed oversees the financing of that debt. If interest rates here go too low, foreign lenders will take their money elsewhere and the dollar's value will drop. If interest rates are pushed too high, they will cripple the business expansion here at home and increase unemployment. Mr. Burns has not been doctrinaire, but he has tended to give the higher priority to stabilizing the exchange rates of the dollar. This question needs to be reconsidered. The only major economy in the world still expanding satisfactorily is this country's, and the rest of the world has the strongest possible interest in the steady growth of its markets. Mr. Miller can't talk much in public about the delicate balance of interests here, but in private he needs to think about it carefully.

THE WASHINGTON POST.

International Opinion

China's Economy

Without the encouragement of a favorable forecast from the OECD (Office of Economic Cooperation and Development), China is entering 1978 with confidence and energy. The new political winds blowing during 1977 explain some of this new confidence—no more campaigns against Confucius, no further risks from shifting definitions of political sin. More tangibly there has been Mr. Teng Hsiao-ping's influence in driving the economy forward with the promise of a higher standard of living. The question is whether the new energy is being effectively harnessed in expanding Chinese industrial production. Merely to remove all the political hurdles that have got in the way

of development in the past decade would do much to make 1977 figures of production much better than those of recent years. What has certainly changed are the priorities.

It is probably safe to conclude that the atmosphere within China's working life has much improved and labor discipline with it. By how much actual production has gone up remains questionable. It is now admitted that normal production was only restored in March this year, that is to say, five months after the political turnaround following Mao's death. So 1978 will be the first chance for a year of politically unimpeded economic effort in China since 1965.

—From the Times (London).

In the International Edition

Seventy-Five Years Ago

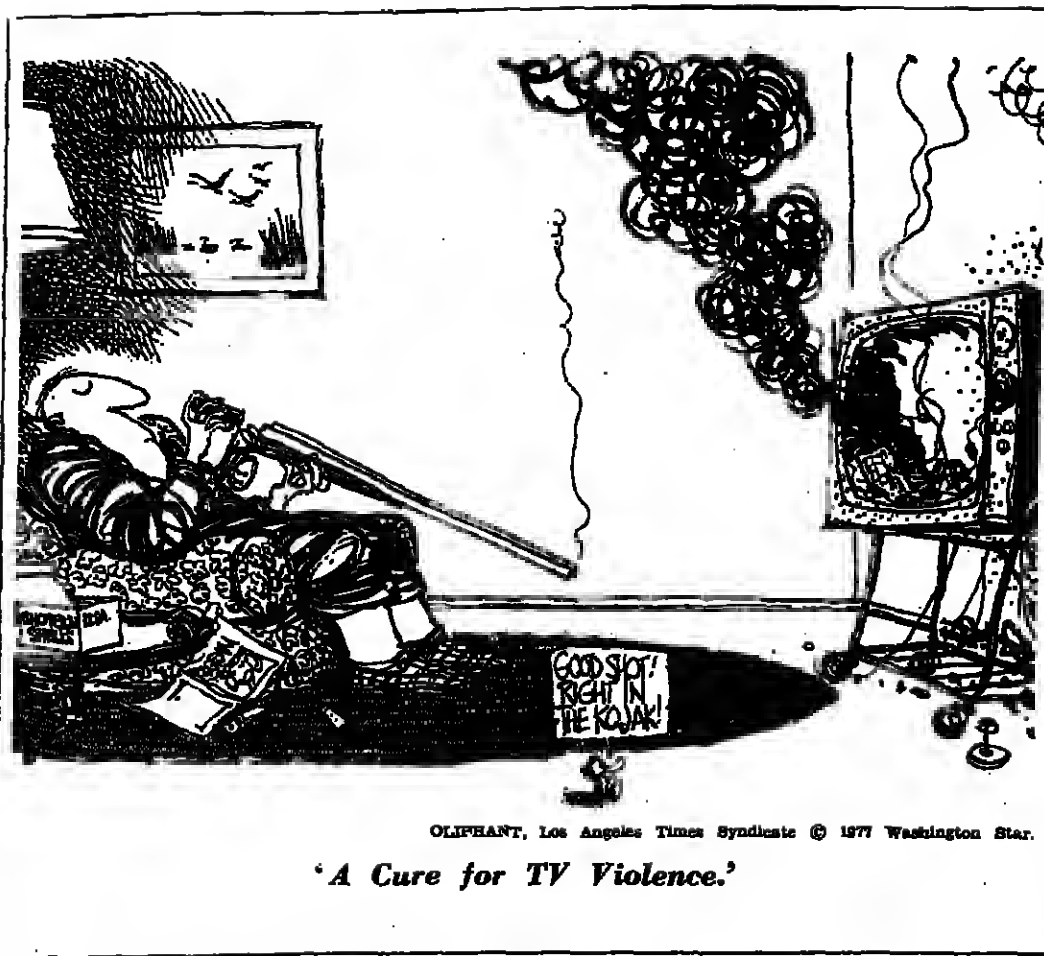
December 31, 1902

NEW YORK—The Herald's view—that the President is to be congratulated on his refusal to act as the arbiter of Venezuelan complications—has been shared by several European powers and his insistence that the Hague is the proper tribunal for such an affair is shared by the whole of the New York press. Mr. Roosevelt is regarded as having shown a wise but steady and firm hand.

Fifty Years Ago

December 31, 1927

NEW YORK—Gene Tunney, heavyweight champion of the world, was the most valuable man to boxing in 1927, in the opinion of William Muldoon, dean of the New York State Athletic Commission. "I base this opinion not only on his reputation as a clean, hard fighter in the ring, but also on his high standard of personal habits outside the ring," said Muldoon.



Carter's New Year Torch

By James Reston

WASHINGTON.—At the turn of the year, President Carter will be making two major speeches overseas, one in India and the other in France. Both, according to the White House, will touch on "the critical political question of our time—what is the relevance of the democratic order to changing conditions in the developed and developing world?" The same question obviously could be asked about Communism and Socialism and every other "ism." New Year has a way of raising such troubling questions, and the chairman of the National Security Council, Zbigniew Brzezinski, defined the theme of Carter's tour with even more challenging questions: "Does democracy have a future?" he asked. "Does it have a relevance? What should be its role?"

Obviously, Carter thinks democracy does have a future in the world, or, in this pause between the holidays and his State of the Union Message, he would have been concentrating on the shortcomings of democracy in the underdeveloped and overdeveloped areas of the United States.

But Carter is part missionary and part politician, and while his hosts will probably be more interested in American money than in American ideals, there is something to be said for his trip, and for his restless yearning.

In most of the world in the last quarter of the 20th century, democracy has not proved to be the popular political model foreseen by the philosophers of the 19th. The remnants of the old empires have chosen instead warring experiments with authoritarian rule. But in the Western Hemisphere, in Europe, Israel, Japan, Australia, New Zealand, and some parts of Southeast Asia, the democratic ideal, while in trouble, is still very much alive. Carter's view is that this ideal needs to be nourished, and if it is to be encouraged, why not by the President of the most important democratic nation at the most hopeful time of the year? One understands why he went first to Poland. Nobody who waded through the rubble of Warsaw at the end of the last world war and has seen the restoration of the old ghettos, churches, and palaces in that city can fail to believe in the enduring power of memory, religion, and personal freedom.

Likewise, nobody who has looked at the alarming rate of human fertility in the world today and the even more alarming level of human complacency about the growth of the human family, can fail to wonder how peace and security are to be maintained.

The President probably will not come back with any tangible triumph—a President who takes on such a journey these days needs a few billions in petty cash—but the intangibles could be important in areas where ideals and politics are in dispute and still in precarious balance.

Carter is clearly not going to interfere in the internal politics of these countries, but his presence in India is obviously intended to encourage the restoration of individual freedom and responsibility in that vast nation, and it is a fair assumption that he is not going to France to embarrass President Giscard d'Estaing and help promote Mitterrand in the French spring elections. If I understand his approach to politics at home and diplomacy abroad, he is trying to deal with the conflicts, changes and ambiguities of modern life in a manner somewhat different from that of his recent predecessors in the White House. Lyndon Johnson said to his opponents, "Come let us reason together," and then skulked them with a two-by-four if they did not go along. But Carter really believes that reason can prevail and is trying to prove it.

This position worries a lot of people here who fear he may straddle the middle line and hit front and rear. But as he explained to the television reporters before he left Washington, that's the way he is: He does not believe in big-shot presidents or that leadership means domination at home or control abroad. Also, down in the pit of politics

in Washington, Carter has some serious problems ahead in 1978, which his new year journey may ease. He still has about 7 million unemployed Americans, which he called a "disgrace" during the election campaign, a huge budget deficit, a staggering trade deficit, and rising pressure from big labor and some sections of big business for protection against foreign imports.

The U.S. steel industry, the shoe industry, the television industry and the textile industry are all howling for tariffs or quotas that would preserve profits and jobs. With a congressional election coming up, Carter is trying to sustain this principle of free or at least fair world trade without losing the support of the labor leaders and the blacks, who normally support the Democratic

party in the big cities and the states with the most votes. Thus he not only is trying to prove abroad that narrow nationalistic policies, indifferent to the rest of the world, will lead to insecurity and even chaos, but by dramatizing the interdependence of nations, he is also hoping to hold back the rising tide of protectionism in the United States.

Besides, after more than a decade of confusion, war, corruption, and cynicism in the politics of the nation, Carter is trying to restore a sense of confidence in the nation's ideals among his own people and those overseas. In short, he is calling for some new year resolutions here and elsewhere, and even in this armor-plated world, resolutions are not necessarily a bad idea, even if they are not kept.

Memories: IX—Clouds Ahead

By C.L. Sulzberger

PARIS.—Few governments in today's complex world even pretend to honor Jefferson's principles: "The care of human life and happiness, and not their destruction, is the first and only legitimate object of good government." And "That government is best which governs least."

In the so-called "West" (which paradoxically includes Japan, Australia and New Zealand) there is still striking political contrast with controls in a gradually diverging Communist bloc; also with that loose agglomeration of mostly destitute nations called the Third World.

More than a century before either America or Russia even approached superpower status, Alexis de Tocqueville wrote: "The Anglo-American republic upon personal interests to accomplish its ends, and gives free scope to the ungoverned strength and common sense of the people; the Russian centers all the authority of society in a single arm."

"The principal instrument of the former is freedom; of the latter, servitude. Their starting point is different, and their courses are not the same; yet each of them seems marked out by the will of heaven to sway the destinies of half the globe."

NATO, the alliance without which there might be little freedom left, is a curious monument to the gradual dwindling of the West. No less than nine of its 15 members were imperial powers a century or less ago: Britain, France, Germany, Italy, Portu-

gal, Belgium, Holland, Denmark and Turkey.

But as political and economic balances began to change, the military balance followed suit; and today it is only because of U.S. armed strength that any global equilibrium still exists. Even France demands that American troops stay in Europe although it no longer shares the bills.

Inflation steadily reduces the real level of NATO defense expenditures. Furthermore, in international competition to host their bank balances, many allies sell to the Russians advanced technology—and lend \$40 million to buy these goodies: what Lenin foresaw as competing "to sell us the rope with which to hang them."

The decisive future events will probably, however, be connected in the wobbly Third World. Already Arab oil-bearing states have a pronounced influence on international events. It is odd to recall that Egypt in 1945 was used by the British to create the Arab League and divert Egyptian attentions safely northeastward in order to leave Sudan alone—for Britain.

Now, of course, the industrial "West" remains continually under the menace of energy shortages which, in the short run, be avoided only by placing the Gulf-Red Sea lands. But other terrifying problems also lie behind that screen of unreality we so often use to obscure the facts of life.

Year after year millions of

Hungary to Get Crown—And Carter Gesture

By Leopold Unger

BRUSSELS.—On Christmas Day of the year 1000, Pope Sylvester II gave King Stephen I of Hungary the crown that he was to use for his coronation. Even then it was not considered a masterpiece of jewelry: a few strips of gold with enamel inlays representing Christ and the apostles, topped by a crown—which now is inclined to the right by the burden of years.

But it is not intrinsic artistic value that has made the Crown of St. Stephen a relic brimming with emotional and political significance.

Above all it has a mystical power: There can be no king in Hungary without this crown. The fact that King Stephen received it directly from the Pope without it passing through the Holy Roman Emperor signified the foundation of Hungary and its right to exist as a sovereign state.

Few relics have been through so much in 1,000 years: stolen by adventurers; confiscated by foreign governors; seized by the Turks and by the Austrians; hidden at the approach of the Tatars, the Poles, the French; buried in distant villages; sealed in iron chests and deposited in a steel-walled vault in the Royal Palace of Budapest. Since World War II, the Crown of St. Stephen has been in Fort Knox, waiting to be returned to a free, democratic and sovereign government in Hungary.

Not Free

But 977 years after the coronation of St. Stephen, the United States will present the crown to the Communist authorities, which represent a government that is no more free than it is democratic or sovereign. On Friday, a large U.S. delegation, probably headed by Secretary of State Cyrus Vance, will return the crown, the scepter and other jewels to the Hungarian government. The ceremonies will last two days and will coincide with the end of President Carter's current trip.

Washington has decided to take a step that is not unanimously approved in the United States, in Eastern Europe or in Hungary itself.

But Washington has its rea-

sons, which are above all political. For the United States, at least, the crown will not be presented to the Communist government but to the Hungarian people. However, Mr. Carter is evidently making some sort of gesture toward the regime of Janos Kadar, which legitimately can be considered the most liberal, or the least repressive, of all Communist regimes.

And the crown is going not to just any Communist country but to the state of "goulash Communism"—a name originally meant to be pejorative, but which basically signifies that life in Hungary is better than in other Eastern European countries. The State Department points to Budapest's promise for a positive solution to all questions of reunification of families.

Well-Being

Furthermore, while Hungary is not a democracy—far from it—it does enjoy a certain level of material and human well-being; it has no political prisoners and almost no political repression. Certainly, many still remember the Soviet occupation of 1956, and there is still neither a political opposition nor a free press. But the fact remains that 35 intellectuals who a few months ago publicly supported Prague's Charter 77 human rights declaration have not been persecuted. Hungarian authorities have just honored "for deserving acts in favor of Socialist Hungary" Sandor Haraszti, 80, who was a minister of the Nagy government in 1956 and who was condemned to eight years in prison in 1958 as "a leading force of the counter-revolution."

It also may be assumed that the return of the crown—an evidently religious symbol—would not take place without the tacit approval of the Hungarian government. The ceremonies will last two days and will coincide with the end of President Carter's current trip. Nothing was more indicative of the present state of relations between the Vatican and Hungary than the unreported presence of Mrs. Kadar, the wife of the Communist party leader, at the 80th birthday mass for Pope Paul.

Also indicating the regime's attitude toward religion is the fact that Hungary is the only Communist country where the evangelist Billy Graham has been able to preach—without restrictions.

Many still oppose the return of the crown to a government that does not deserve it. But Washington's stand is clear: The crown is a symbol of a nation's history, of its rank among the nations of the West and of Christianity.

Accessible to the public (that was one of the conditions for its return), the crown will recall this past and all the tradition linked to it. Locked up in Fort Knox, the crown would have become merely a relic of the past, living only in the memories of an ever smaller number of historians. Furthermore, the return of the crown cannot but gain goodwill for the United States. The people of Hungary—proud of its history—will long be grateful to the United States.

New Attitude

In a larger context, the U.S. gesture is another indication that the attitude of this administration toward Eastern Europe is different from that of its predecessor. This "magnanimous gesture" by Washington is a convincing demonstration of what Zbigniew Brzezinski calls "political pluralism," which means: that Eastern European nations must be treated according to their distinct national characteristics.

Basically, Washington wants to make it clear that it rejects the "Brezhnev doctrine." The return of the Crown of St. Stephen is clear proof that although the dominant position of the Soviet Union is unquestioned in Eastern Europe, the United States can have—through a prudent and selective policy—ample room for efficient maneuvering in the area.

Thus it cannot be a coincidence that the return of the Crown of St. Stephen will take place just a few days after Mr. Carter's visit to Poland. Those two countries are the most profoundly Christian, nationalistic and "Western" countries of the Eastern bloc. The Poles and Hungarians are two peoples who have succeeded in maintaining, through 30 years of indoctrination, their own identity and their own personality. During the tribulations suffered at the hands of the Soviet Union, they are the two least marked by "Sovietism."

Dollar Drops To New Lows In Thin Trade

Dealers Are Gloomy On 1978 Prospects

LONDON, Dec. 30 (AP-DJ).—The dollar scored new lows against the deutsche mark and Swiss franc today on the foreign exchange market, opening a year in which it registered unprecedented declines against the world's main trading currencies.

Dealings reached a virtual standstill today as most operators and banks left the market in advance of the New Year holiday.

Against the deutsche mark, the U.S. fund fell 40 points to 2.0960 marks. It lost nearly 2 cents against the Swiss franc, slipping to 1.5820 francs from 1.5775 francs overnight. The U.S. unit lost ground against several other major currencies.

"The dollar's depreciation is a chronic disease that's not going to stop," said one dealer at a major British bank. "Only a slight reversal is possible. Over the longer term of five years, the dollar will gradually go down due to its role as a reserve currency. There are too many dollars and, frankly, I don't think the Americans are too worried about it."

Political Problems

The dealer took a skeptical view of suggestions that West Germany and Japan may boost their economies in 1978 to act as locomotive forces to stimulate worldwide recovery. He said internal political, as opposed to economic, considerations will not permit either Japan or Germany to accelerate economic growth fast enough to offset their huge trade surpluses.

In the meantime, the United States will probably continue to pursue expansionary economic policies that will increase demand for imported goods and add to the nation's rate of inflation. Each of these factors is potentially hazardous for the dollar, especially if the Federal Reserve appears to loosen its reins on credit supply, dealers in Europe agreed.

Dealers cited the lack of a U.S. energy policy aimed at reducing the country's purchases of foreign oil as an important factor behind the dollar's continued slump.

Din Outlook

Generally, dealers agreed that the prospects for the U.S. currency in 1978 will remain dim as long as the United States continues to run huge monthly trade deficits.

The lack of confidence it contributes to the dollar's woes, with multinational companies adopting an adverse pattern of leads and lags in commercial dollar transactions. This type of situation exacerbated Britain's sterling crisis of 1976.

It means that companies with dollar receivables tend to sell them for harder currencies as quickly as possible and those with funds in, say, deutsche marks or Swiss francs hold on to them for as long as possible. This pattern, dealers explained, gives the dollar heavy downside risk with little upside potential.

The effects of leads and lags were said to be one of the main elements in the dollar's steep drop in the fourth quarter of 1977. Over the last three months, the U.S. fund fell by 9.1 per cent against the deutsche mark, 15.3 per cent against the Swiss franc and 9 per cent against the yen.

Since the end of 1976, the dollar has fallen by 11.2 per cent against the deutsche mark, 18.9 per cent against the Swiss franc and 18.2 per cent against the yen. Starting, meanwhile, has risen to its best level against the dollar since March 1974, at \$1.8185, up 72 points from late yesterday. The pound rose by 9.8 per cent against the U.S. fund in the last quarter of 1977 and is 12.7 per cent above year-earlier levels.

EEC Unit Puts Basic Price on Imported Steel

BRUSSELS, Dec. 30 (Reuters).—The Common Market Committee today published its list of basic steel import prices to protect the EEC steel industry from out-price competition from Jan. 1.

A Commission spokesman said the "base" or minimum import prices would be on average about 6.75 per cent lower than the floor and guide prices set for community steelmakers.

A total of 17 types of the most commonly traded steel products are to be included in the system. Foreign steel suppliers to the EEC will have to respect the base prices on their shipments to the community from Sunday. If they undercut these levels, they will have to pay a penalty duty for "dumping" at below production costs on the EEC market.

The countries affected are Japan, South Korea, South Africa, Brazil, Spain, the Communist countries of Eastern Europe and the members of the European Free Trade Association.

The U.S. Fed: Secretive and Misunderstood

By James L. Rowe Jr.

WASHINGTON, Dec. 30 (WP).—William Miller has been nominated by President Carter to head one of the most powerful, most secretive and least understood U.S. governmental agencies: The Federal Reserve Board.

The seven-member board of governors oversees the nation's monetary policy of the United States and does so in theoretical independence from the White House and Congress. In recent years—as Congress has come to realize that the amount of money the central bank supplies to the economy has a major impact on economic growth, jobs and inflation—the independent policymaking of the Fed has come under increasing congressional scrutiny.

Since 1975, the chairman has appeared before Congress every three months, alternating between the House of Representatives and Senate banking committees, to explain to legislators what goals and targets the Fed has set for the growth of the money supply.

So far, the board has successfully resisted further congressional interference in its monetary policymaking, although the House once passed a bill that would have authorized the General Accounting Office to audit the operations of the central bank.

The Federal Reserve System was established in 1913. Its 13 regional Federal Reserve banks service commercial banks in their respective areas, but the locus of Federal Reserve decision-making resides in the seven-member board of governors and the 12-member Federal Open Market Committee. The Open Market Committee determines

U.S. monetary policy and directs the Fed's open-market operations, in which the agency buys and sells government securities in an attempt to control the growth of the money supply.

The committee is composed of the seven governors, the president of the New York regional bank and four other regional bank presidents.

The Federal Reserve has been having serious troubles controlling money-supply growth in recent years, as checking accounts and currency in circulation have grown more quickly than the central bank wanted, despite its repeated attempts to slow the growth.

Economists are divided on just how important the supply of money is to the economy, jobs and inflation. One school of thought holds that interest rates are more important than the supply of money and urges the Federal Reserve to direct its policies toward controlling interest rates.

Another school, the monetarists, believes the supply of money is most important and urges the central bank to decide what level of money growth is compatible with other economic goals, such as economic growth and inflation, and to concentrate on achieving that growth rate.

Under its current chairman, Arthur Burns, the central bank has moved away from concentrating only on interest rates. Instead, the agency is trying to keep money growth within a specified range while at the same time trying to avoid precipitous changes in short-term interest rates.

The Fed conducts its open-market operations buying and selling U.S. government securities. When it buys securities, it injects money into the banking system that commercial banks in turn relays by selling

securities, it says up money that banks might otherwise lend out.

The Fed also has other tools to affect money growth: The interest it charges banks that borrow from it, the so-called discount rate, and the percentage of deposits (reserves) it requires banks to keep in non-interest-bearing accounts with the central bank.

But these two tools are less important than the open-market operations. Banks borrow relatively little from the central bank and because banks find it expensive to keep non-interest-bearing accounts with the Fed, the agency has been reluctant to raise reserve requirements.

Banks have been dropping out of the Fed system, making it increasingly difficult for the agency to control monetary policy.

Besides overseeing money growth, the central bank also regulates 1,000 state-chartered banks that are members of the Federal Reserve System. The Controller of the Currency and the Federal Deposit Insurance Corporation regulate the other 13,300 banks.

Bank regulation has also come under serious congressional scrutiny in recent years after the United States was shocked to discover that many of its biggest and most important banks were on special problem lists kept by bank regulators.

There have been moves to consolidate all bank regulation into the same agency to eliminate the differences among the Fed, the controller, and the FDIC to prevent banks from playing one regulator against another.

The Fed and the others have resisted such a consolidation. Since February, the three have met frequently to minimize the differences in bank examinations, the key tool in bank regulation.

Burns' Ouster Pleases Liberals

Economists' Reactions to Change at Fed Are Mixed

By Henry Scott-Stokes

NEW YORK, Dec. 30 (NYT).—Reactions of economists to the nomination of William Miller as chairman of the Federal Reserve Board to replace Arthur Burns range from pleasure at the prospect of having a pragmatic businessman at the helm of the Fed to despair at the loss of Mr. Burns.

But the majority of economists attending the annual meeting of the American Economic Association in New York yesterday said that it was natural that Mr. Burns should be replaced, and those who regretted his departure

were generally from the financial world.

"Money is too important a matter to be left to bankers," quipped Milton Friedman, the 1976 Nobel Prize winner, welcoming the naming of a businessman to the chairmanship of the Fed.

Liberal economists generally expressed relief at the imminent departure of Mr. Burns as chairman (whether he will remain on the board is unknown) rather than great delight at the arrival of Mr. Miller, who does not have credentials as an economist.

But a leftist Otto Reichstein, chairman of Data Resources Inc., said that having a businessman

to head the central bank would "reduce the insularity of the Fed."

"And maybe Mr. Miller will need some help from outside," said Mr. Reichstein with a broad smile. "The Fed still doesn't know that it nearly precipitated a 1929-style collapse three years ago by its restrictionist policies."

The same note of gratitude was struck by Prof. Paul Davidson of Rutgers University, the editor of a new academic publication, The Journal of Post-Keynesian Economics.

Mr. Burns' record in office "was terrible—record inflation, unemployment, and the biggest recession since the 1930s," said Prof. Davidson. He added: "Before he was appointed, Dr. Burns was regarded as a nice, slightly doddly old man, and since then you've had a halo effect as a result of press coverage."

Such acid sentiments generally prevailed among liberal economists. Substantially different were the reactions of some economists from the financial world rather than from academic circles. Alan Greenspan, another former chairman of the Council of Economic Advisers, expressed regret at the prospective replacement of Mr. Burns, who is widely regarded by bankers abroad as the incarnation of the stable dollar.

But Mr. Greenspan agreed with those economists who suggested that the powers of the Fed chairman were limited. "Critics of the Fed impute a degree of ef-

ficiency to the institution which really isn't there," said Mr. Greenspan.

"The policy range is much smaller than most people imagine," he continued. "At the New York Federal Reserve you have a money market desk, which leans against the pressure and partially accommodates them; it's a question of shades one way or the other." (His reference was to the "open market desk," which implements monetary policy.)

Albert Wojniak, vice-president of First Boston Corp., also expressed sadness at the loss of Mr. Burns. "The new man will have to prove that he is a central banker," said Mr. Wojniak, adding that the rest of the world would want to see evidence that there was a functioning central bank in America.

'Leading' U.S. Index Drops 0.2%

WASHINGTON, Dec. 30 (Reuters).—The U.S. index of leading economic indicators fell 0.2 per cent in November following an upward revised gain of 0.8 per cent in October, the Commerce Department said today.

This was the first decline in the index, which is designed to forecast future economic trends, since a 0.2-per-cent decline in June.

The index now stands at 133.8 per cent of its 1967 base. The Commerce Department originally reported the index had risen by 0.7 per cent in October, while in November, 1978, the index rose by 0.7 per cent.

The Commerce Department said five of the components of the index now available for November increased, while five fell.

The average workweek rose to 40.5 hours in November from 40.4 hours in October, raising the index by 0.09 per cent, after an increase of 0.07 per cent in October, while the layoff rate fell, increasing it by 0.21 per cent, following a rise of 0.18 per cent the previous month.

The index of common stock prices rose by 0.04 per cent in November, after a drop of 0.18 per cent, while new consumer goods orders rose to \$35.38 billion in 1977 from \$34.88 billion in October, increasing the index by 0.06 per cent. The previous month an increase in orders resulted in a 0.09-per-cent gain.

The department said housing permits also gained during November, rising by 0.09 per cent, although at a somewhat slower pace than the 0.27-per-cent gain in October.

On the downside, the percentage of companies reporting slower deliveries fell by 0.25 per cent, after being unchanged in October, and total liquid assets fell by 0.17 per cent after falling by 0.35 per cent the previous month.

Sensitive prices declined by 0.07 per cent in November after a 0.12-per-cent gain in October, and the money balance fell to \$225.4 billion in 1977 dollars from \$226.9 billion, a decline of 0.36 per cent, almost exactly reversing October's 0.35-per-cent increase.

The Commerce Department said new plant and equipment

orders also fell in November, dropping by 0.05 per cent, after a decline of 0.44 per cent in October.

Two components of the index, new business formation and inventories, are not yet available for November. In October, they rose by 0.24 per cent and declined by 0.04 per cent respectively.

At the same time, the department said the index of coincident indicators rose by 0.5 per cent in November, the same as the October increase, while the index of lagging indicators rose by 1.3 per cent, following a 1.6-per-cent gain in October.

Construction Contracts

NEW YORK, Dec. 30 (Reuters).—The value of construction contracts awarded in November increased 20 per cent to \$10.4 billion from \$8.69 billion in the year-earlier month, the F.W.

Dodge division of McGraw-Hill Inc. said today.

Of this total, the residential building sector rose about 40 per cent to \$5.28 billion as against \$3.71 billion in November, 1976, the report said. Non-residential building contracts in November gained 17 per cent to \$5.10 billion compared with \$2.66 billion a year earlier.

Non-building construction contracts totals dipped to \$2 billion in November from \$2.28 billion a year earlier.

The division, commenting on the November level of contracts, said the gain reflects "sustained demand for housing and a solid improvement in contracting for nonresidential building."

For the first 11 months of 1977, the total construction contracts awarded were up about 25 per cent to \$128.9 billion from the \$102.9 billion of the comparable 1976 period, the report said.

Stocks in See-saw Session Close Year With Small Gains

NEW YORK, Dec. 30 (UPI).—The stock market changed directions several times today, closed out the year with a token gain in busy trading.

Prices traded within a narrow range all day, reflecting mostly year-end tax and portfolio adjustments, analysts said. Only a handful of issues showed price changes of a point or more.

As trading began, the government said its November index of leading indicators eased 0.2 per cent, but the decline—the first in four months—had no visible effect on the market as it had been widely expected.

The Dow Jones industrial average closed up 0.78 at 831.17. It was up 0.88 at 3 p.m.

Volume totaled 23.66 million shares, compared with 23.61 million yesterday.

Japan Bankruptcies Rise to Over 18,000

TOKYO, Dec. 30 (UPI).—A total of 18,064 companies, mostly small steel, shipping, shipbuilding and textile firms, went bankrupt this year with debts totaling \$12.12 billion, a private credit research agency said today.

The agency, Teikoku Koshin-sho, said the number of failures was up 15.5 per cent over last year and the amount of debts was up 26.2 per cent.

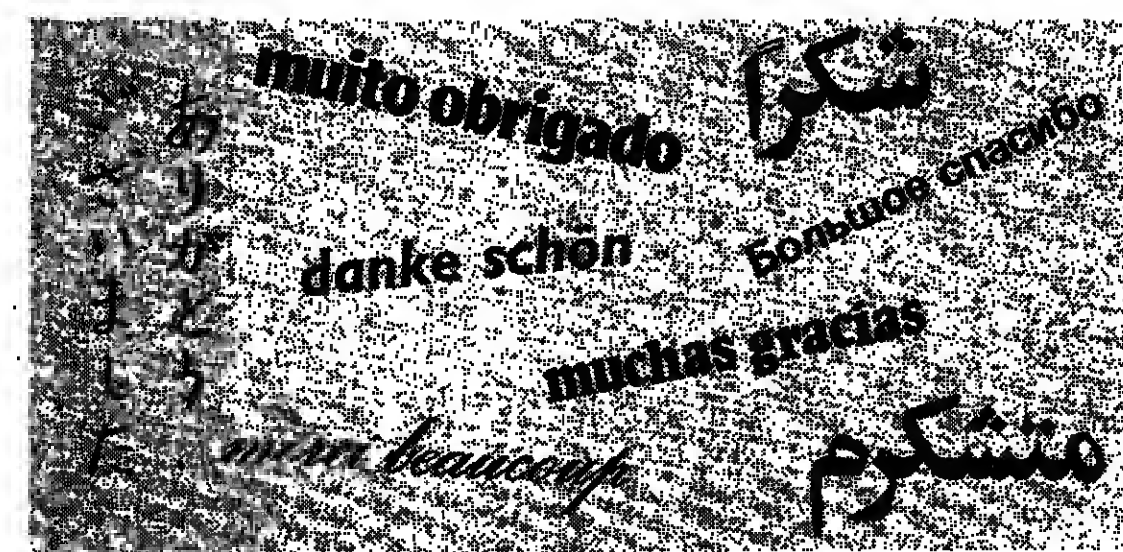
Denmark Posts Deficit

In Trade in November

COPENHAGEN, Dec. 29 (AP-DJ).—Denmark posted a 1.5-billion-kroner (\$260-million) deficit on its balance of trade for November, up from a 1.3-billion-kroner deficit in October but down from a 2.1-billion-kroner deficit in November, 1976, the government's bureau of statistics said in a provisional report today.

Imports in November totaled 7.13 billion kroner, up from 7.09 billion kroner in the year-earlier period. Exports were 5.63 billion kroner in November, up from 5.02 billion in the same month last year, the provisional report stated.

A big thank-you to all our customers



1977 - a year in which not all hopes placed in economic development materialized, as a whole generated pleasing results for the German economy. As a bank active in international business and with a considerable range of services (consolidated assets over DM 60 billion), Bayerische Vereinsbank has again successfully propagated relations with customers at home and internationally. We should like to take this opportunity to thank all our customers throughout the world.

In our capacity as a lending and mortgage bank we were again able to supply tailor-made financing for billion-figure investments in the private and public sector. Flexibility and versatility plus the advantage of re-financing through our own bond issues proved a successful combination in securities business at home and worldwide.

Our personal service is founded on a staff of 9,500 in more than 380 branches. Foreign branches operate under the name Union Bank of Bavaria in New York, Chicago and Grand Cayman as well as an agency in Los Angeles. Our wholly-owned subsidiary, Bayerische Vereinsbank International S.A. in Luxembourg, is the operational base for our euro-financing business. Bayerische Vereinsbank representative offices are located in London, Paris, Caracas, Johannesburg, Rio de Janeiro, Tehran and Tokyo - to be converted into a foreign branch mid January 1978.

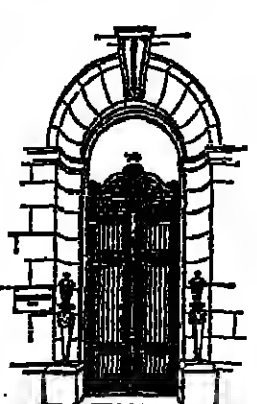
Bayerische Vereinsbank, your proven partner both nationally and internationally.

Union Bank of Bavaria (Bayerische Vereinsbank) New York Branch 430, Park Avenue New York, N.Y. 10022 Telephone: (212) 758-4664 Telex: 62 850 ubbbw
Bayerische Vereinsbank International Société Anonyme 17, rue des Bains L-Luxembourg Telephone: 42 86 11 Telex: 2652 bvlu
Bayerische Vereinsbank Head Office Munich International Division Kardinal-Faulhaber-Strasse 1 D-8000 München 2 Telephone: (089) 2132-1 Telex: 523321 bvm d SWIFT: BVBE DE MM



BAYERISCHE VEREINSBANK

INCORPORATING BAYERISCHE STAATSBANK AG



HARRY WINSTON

RARE JEWELS OF THE WORLD

EXCEPTIONAL EXHIBITION

December 21, 1977 to January 8, 1978.

BADRUTT'S PALACE SAINT-MORITZ

[illegible]

“I’d never have known about the Hockney show, if I hadn’t read the ad...”

This person read the ad, as it happens, in the art pages of the Herald Tribune — Europe’s only international daily newspaper, the one with really serious coverage of Europe’s far-flung world of art.

And people seriously interested in art — the buyers, the collectors — read its pages regularly. For editorial content as well as for the ads from galleries and auction houses.

Indeed, if you have a gallery, or want to sell a collection, or promote attendance at a museum, the International Herald Tribune may well be your best bet.

You’ll see...

Herald Tribune ads work.

Just telephone Françoise Clément at 747 12 65 in Paris or your local Herald Tribune representative for more information.

Art Buchwald 1977 Gets the Ax

WASHINGTON—"You can go in now," the secretary told 1977, who was nervously sitting on the couch in the outer office. He went into the large office where the chairman of the board was signing some letters. "I'll be with you in a moment," he said. When he finally looked up, his eyes were glacial.



Buchwald

"I regret to inform you, 77, that the board has decided, as of Dec. 31, you will no longer be in charge of the network."

"Then, the rumors in The New York Times were true. You're getting rid of me."

France Acquires Bonaparte Notes

PARIS, Dec. 30 (UPI).—The private papers of Joseph Bonaparte, king of Spain, which were captured at Vittoria by the British in 1813, have been bought for \$1.1 million francs (\$222,000) by the French government from the eighth Duke of Wellington, officials said.

Joseph, elder brother of Emperor Napoleon, reigned over Spain from 1808 to 1813 when he had to flee upon the start of an anti-French revolt backed by England. Wellington's armies captured Joseph's carriage carrying the papers after the French defeat at Vittoria.

The papers, which have been purchased by the state archives from the heir of Lord Wellington, are composed of 37 large dossiers providing so far unpublished information on the final stage of Joseph's short-lived reign, the condition of French and loyalist Spanish troops and the development of the continental campaign.

The collection consists of old masters, impressionists and medieval and Renaissance works as well as furniture and 18th-century ceramics.

were high, and we were No. 1. But by March we began to slip. People started tuning out on us this fall. Now we're at the bottom of the chart. We have to think of the advertisers."

"But I gave you a new President of the United States, a dramatic meeting between Sadat and Begin, a possible SALT treaty and a blackout in New York City. If that wasn't good programming, I don't know what is."

"It didn't play in Peoria," the chairman said.

"It had a lot of style, but no substance. Maybe it was in the casting. But except for the world series and a few football games, the public was just bored."

"I tried to keep down the violence," 77 protested. "We had no major wars to speak of. I threw in a drought or two for excitement and a couple of earthquakes. But you yourself said the people were tired of seeing so much bad news on television."

"Perhaps we were wrong," the chairman said. "But we gave you the ball and told you to run with it. You didn't score with anybody."

"I only had 12 months," 77 protested. "What can anyone do in 365 days? I thought the South Korean scandal would take off. But how did I know Tonggum Park would hide out in Seoul?"

"I don't know," the chairman said. "You might have had another Watergate. You can't blame me for things I had no control over."

"You're making this very hard on me," the chairman said. "Personally, I like you, 77, and I'm sorry to see you go. But we have to think of the network. Someone has to take the blame for the spathy of the people."

"Just before you called me down, I had a great idea for a show," 77 pleaded. "You know the old student prince uniforms that Nixon bought for the guards at the White House? Well, I was going to have Carter bring them back and revive the imperial presidency. The thought we might send the U.S. Marines down to Panama and..."

"I'm sorry," the chairman said. "The decision has been made. We already have your replacement."

"Have I a right to ask who it is?"

"The new head of programming will be 1978."

"1978, but he's a baby. He doesn't know anything about show business," 77 protested.

"Neither did you when you took over. But our search team is very high on him. If anyone can get us out of the doldrums, they think he can."

"I guess that's it," 77 said, getting up.

"There's one more thing. We would like you to OK this joint press release. It says you are resigning for personal and health reasons and you wish your successor 1978 all the luck in the coming year."

"Isn't that the same press release you issued when I took over from 1977?"

"Come to think of it, I believe it is."

German Archaeologists Race the Machine

By Roon Lewald

HAMBACH, West Germany (AP).—A small team of archaeologists is racing coal strip-miners to uncover and record a rich cultural heritage before it disappears forever in the world's biggest open-pit mine.

Archaeologists have been keeping one jump ahead of brown-coal strip-miners chewing up the Rhineland plateau west of Cologne. The vast scale of the strip mining, ironically, has been a boon to the archaeologists because it allows them to dig over an unusually large area.

They have unearthed thousands of buried relics from old cultures reaching back deep into prehistory, giving researchers invaluable information about life in the Rhineland as far back as 4500 BC.

Already at work in the area for two decades, the archaeologists now face their biggest challenge as the strip miners prepare to rip into a 30-square-mile area known as the Hambach Forest.

Midway between Cologne and Aachen, the forest is the biggest area the archaeologists have attacked, and time is short.

Starting next Sept. 1, giant mobile excavators will claw away thousands of tons of topsoil every day to reach an estimated 24 billion tons of brown coal. The crumbly, dark-brown fossil fuel provides a third of West Germany's electricity needs.

The archaeologists have divided the Hambach Forest into sections which they must scour ahead of the step-by-step expansion of the mine during the next 50 years.

The archaeologists, who have been working in the forest for two years, already have uncovered a rare Roman glass-making plant, Stone Age settlements, including the oldest known fortifications in Europe, and two Roman villas.

"On the whole, strip mining is a gain for archaeology," said Dr. Manfred Rech, 24, who is in charge of a team from the Rhineland Museum in Bonn. A Cologne University team is also digging in this area.

"Normally, we get permission to dig over a small area only, for instance when a road is being built," Dr. Rech explained. In Hambach Forest, however, "we can get comprehensive, simultaneous look at all the cultures that existed there."

The Cologne-based brown-coal combine which will mine the area is "very helpful," said Dr. Rech. It provides earth-moving equipment and lays water pipelines to control dust at the diggings in dry summer months.

Dr. Rech said his team needed every bit of the three-year head start it is getting over the mine excavations.

Dr. Rech pointed out the huge



Giant strip-mine shovel bears down on archaeologists at Rhineland digging.

new machines with Ferris-wheel-like shovels capable of scooping 240,000 cubic meters of earth a day, double the amount of older models.

"That means we have to move a lot faster, and there's a greater danger that archaeological remains will be irretrievably lost," he said.

Dr. Rech's five main digging sites are tucked away in woods only a few miles south of the Rur River, a World War II defense line where the invading Allies pounded the crumbling German opposition toward the end of the war.

"The archaeologists keep a sharp lookout for live ammunition that still litters the woods, even though bomb-disposal squads comb every digging site before work starts."

One of the team's best archaeological finds was made on the overgrown site of a German wartime air base. It was a small, semi-circular, the ruins of a sophisticated Roman glass-blowing plant and graves of the men who worked there, with well-preserved examples of their craft.

Only two other Roman glass-making plants of the period have ever been found, and they are both in nearby Cologne, said Dr. Rech. A third plant from a later Roman period has been discovered in Italy, he said.

Nearby deposits of fine quartz sand are still used by modern German glassblowers, and Dr.

Rech said he strongly suspects more Roman glass-making plants will be discovered in this area, perhaps helping to answer a question puzzling German archaeologists.

They are trying to pinpoint the origin of Roman glassware found in the graves of Germanic tribesmen in many parts of northern Europe beyond the frontiers of the ancient Roman Empire, as far as Scandinavia and parts of Russia.

"We can now compare the design and chemical composition of this glassware with that found here to see whether it was made in this area," Dr. Rech said.

At other sites, the archaeologists uncovered remains of the busy Roman road that once led from Cologne to Belgium. Nearby were two large Roman villas equipped with luxuries such as heated floors and baths.

In each case, the villas were surrounded by outbuildings, including iron-smelting furnaces, which indicate that villa-owners in this area combined farming with small-scale industry to make a living.

The Hambach Forest contains traces of perhaps the oldest fortifications in Europe, dating back to the so-called "Band Ceramic" culture.

The people, named after hand markings on their burial pottery, were the first to introduce systematic farming as they spread over Europe around

4500-4000 BC from what is now Turkey.

The Band Ceramic settlements have been found all over Europe, but in the Hambach Forest the characteristic long, ring-shaped ditches with palisade fences.

"The fortifications may have been part of the first systematic phase of warfare in European history," Dr. Rech said.

"Could population explosions or land hunger in the final phase of this culture have led them to make war on each other? We are still trying to find out," he said.

His team has also found remains of Iron Age Celts from about 800 BC, and fortified hunting lodges built by the feudal counts of Juelich, the area's medieval capital.

Dr. Rech also hopes to uncover remains of Frankish warriors who flourished in the post-Roman period until about the year 800. A wealth of Frankish remains have been found at older strip-mine sites near here.

The pride of Bonn's Rhineland Museum is the "Man With the Golden Helmet," a warrior lord who was buried with a fine golden helmet on his head, his deadly "Frankish" throwing ax, "sax" stabbing sword, "spears" long sword and lance by his side.

"We've only started digging here," Dr. Rech said. "Who knows what we'll find?"

PEOPLE: No One Wants to Talk About Chaplin's Fortune

Charlie Chaplin left a fortune so complicated to sort out that no one is saying just how big it is, according to the Associated Press. In London, where Chaplin was born, there is speculation that he left as much as \$100 million. But the actual sum is guesswork since those responsible for Chaplin's finances either cannot be reached or decline to discuss the matter. Even the existence of a will could not be confirmed. AP asked Chaplin's business manager, Rachel Ford, whether there would be a reading of Chaplin's last will and testament. "No," she replied, "nothing that fits that description. The words have not even been mentioned in the house." The house, of course, is Chaplin's Manoir de Ban, set in 37 acres overlooking Lake Geneva in Switzerland. Unofficial reports have said that Chaplin handed over many of his millions to his wife, Oona, in the early 1970s to avoid taxation of his estate.

Heavyweight champion Muhammad Ali has become a father for the first time. It's his fifth girl. His wife, Veronica, gave birth to the 7-pound, 10-ounce baby in a Miami hospital. "The mother and daughter are doing fine," a hospital spokesman said.

Queen Elizabeth has honored more than 950 Britons, including her right-hand man, the Scotland Yard sleuth who tracked down Public Enemy No. 1, the inventor of a gadget that makes pepper-mint-stick whistles, a labor union boss and the headmaster who taught her youngest sons. They were listed in the monarch's traditional New Year's Honors List. Sir Martin Charteris, the Queen's private secretary for 27 years before he retired in November, was made a baron. John Morrison, who retired as deputy assistant commissioner at Scotland Yard three months ago, was made an officer of the Order of the British Empire for capturing Donald Nelson, a killer known as the "Black Panther," two years ago. Rowland Emmet, cartoonist and inventor, was also made an OBE. Jack Jones, general secretary of Britain's biggest union, the Transport and General Workers, was made a companion of honor for

"conspicuous service of national importance." James Edwards, headmaster of Heatherdown Preparatory School, where Prince Andrew, 17, and Prince Edward, 14, studied, was made a commander of the Royal Victorian Order. The list is traditionally compiled by the Prime Minister, who recommends names to the monarch for approval. She traditionally does and makes a few additions, such as her secretary, Charteris, and her bodyguard, Chief Superintendent Michael Trestrail, 40, who was made a member of the Royal Victorian Order and who has traveled nearly 50,000 miles with her.

In what sanitation officials herald as a sign of improving economic conditions, New Yorkers threw away more trash in 1977 than the year before. Despite reductions in personnel and mechanical troubles with refuse trucks, sanitation men shat out all previous tonnage records in November by hauling in bigger loads than ever before, the department said. The November record—an average daily haul of 112 tons of trash per truck—was an eight-hour shift, signals an apparently improving economy as well as efficiency in the department. "Refuse is a kind of economic barometer," said Wilfred Horne, a spokesman for the department. "In bad times people don't buy new things and throw away old things, and they don't throw away as much trash. So, times are getting better," he said.

A former president of Ireland who tried to stop a dog fight ended up in a hospital with a hip injury. The hospital in Dublin said that Charles O'Daigh will probably be detained for a number of weeks. His wife, Mairin, said that he apparently broke a small bone in his hip. Mrs. O'Daigh said that her husband, 66, was in the garden of their County Kerry home when his collar, which he was involved in a fight with a family dog. She said that he grabbed Monty's collar but was dragged along and fell down three steps.

—SAMUEL JUSTICE



MEMORIES—Actor John Wayne, left, said at a memorial service for director Howard Hawks in Los Angeles, "Each of us has his own memories of Howard, so no eulogy is needed." Standing at Wayne's side is actor James Stewart.

AMERICA CALLING

MESSAGES, DEC. 31, 1977
ACQUITTA (LA) 2201 (17) 1700
CLOUTIER (RE) 2201 (17) 1700
CLOUTIER (RE) 2201 (17) 1700

MESSAGES, DEC. 31, 1977
ECLIPSE (LA) 2201 (17) 1700
ECLIPSE (LA) 2201 (17) 1700

The above are coded messages from home for subscribers traveling or ill in Europe. For details, call 1-800-451-4545. In U.S. call toll free: 800-451-4545.

ANNOUNCEMENTS

MARIELLA CLUE IMMOBILIARIA wishes all her friends and clients a very happy New Year. An international agency in the field of real estate, sales, rentals, investments, consultancy, legal and financial advice. Phone: 02/23111111. Telex: 320000. MARIELLA, 10121 77100, ext. 177. Tel: 02/23111111. Telex: 320000. NEW YEAR'S EVE PARTY & Guy Lombardo testimonial dinner at Mother Earth's. Limited seating for supper. Last reservations only. Tel: 02/23111111. Telex: 320000. AA Sat-Sun, 5-6 PM. American Church, 351.36.90.35.75.60. Paris.

PERSONALS

MARIA PARTHENOS, I love you and need you. Urgently: American Embassy, Mr. Schmitt, Stockholm, Sweden. Love, Your Mother.

SERVICES

DIVORCE IN 24 HOURS

Marital or contested actions, low cost. Mail or personal service. For information send \$3.75 for 24-hour divorce. Dr. Marcia van Goolman, 204, 1114 First Ave., New York 10011. Call: 021-2201. Telex: 320000. U.S. Tel: 202-432-8231. Worldwide service.

U.S. LAWYER

All courts, all cases, aggressive. 1918 N. Ross, Santa Ana, Ca. 92701, U.S.A.

EDUCATION

SAIZBURG INTERNATIONAL PREPARATORY SCHOOL

A co-educational American boarding school in Europe's most beautiful city. Grades 7-12 and P.G. High academic standards. Extensive travel, skiing and cultural programs. For catalog, write: S.I.P., Hochschule 104, A-5020 Salzburg, Austria.

SPANISH IN SPAIN

All grades, individual or small groups. Possibility of living in apartments or schools. Families. INLINGUAS, Plaza de las Flores 3, Madrid.

CAR RENTALS

54 PER DAY & 12 CENTS PER KM. AUTOMOBILES, rent from bruckner St. 8, Vienna 7, 20184

AUTOMOBILES

AMERICAN CARS: Buy from one of U.S. largest dealers. All 1978 makes and models. ALL-STATE EXPORT COMPANY, 1114 First Ave., New York 10011. Call: 021-2201. Telex: 320000.

CLASSIFIED ADVERTISEMENTS

AUTOMOBILES

1978 MODELS AMERICAN CARS INTERNATIONAL. Import-Export General Motors, Chrysler Ford, American Motors, Camaros, trucks, motor homes, campers, trailers, boats, etc. Tel: 02/23111111. Telex: 320000.

TAX-FREE CARS

FOR IMMEDIATE DELIVERY. Eldorado, Cadillac, Seville, Lincoln, Continental, etc. Tel: 02/23111111. Telex: 320000.

PERSONALS

MARIA PARTHENOS, I love you and need you. Urgently: American Embassy, Mr. Schmitt, Stockholm, Sweden. Love, Your Mother.

SERVICES

DIVORCE IN 24 HOURS

Marital or contested actions, low cost. Mail or personal service. For information send \$3.75 for 24-hour divorce. Dr. Marcia van Goolman, 204, 1114 First Ave., New York 10011. Call: 021-2201. Telex: 320000. U.S. Tel: 202-432-8231. Worldwide service.

U.S. LAWYER

All courts, all cases, aggressive. 1918 N. Ross, Santa Ana, Ca. 92701, U.S.A.

EDUCATION

SAIZBURG INTERNATIONAL PREPARATORY SCHOOL

A co-educational American boarding school in Europe's most beautiful city. Grades 7-12 and P.G. High academic standards. Extensive travel, skiing and cultural programs. For catalog, write: S.I.P., Hochschule 104, A-5020 Salzburg, Austria.

SPANISH IN SPAIN

All grades, individual or small groups. Possibility of living in apartments or schools. Families. INLINGUAS, Plaza de las Flores 3, Madrid.

CAR RENTALS

54 PER DAY & 12 CENTS PER KM. AUTOMOBILES, rent from bruckner St. 8, Vienna 7, 20184

AUTOMOBILES

AMERICAN CARS: Buy from one of U.S. largest dealers. All 1978 makes and models. ALL-STATE EXPORT COMPANY, 1114 First Ave., New York 10011. Call: 021-2201. Telex: 320000.

MOVING

SOME GOOD NUMBERS TO CALL BEFORE YOU LEAVE A COUNTRY

If you're moving your belongings out of a country, we can help you. We have an agent in every country. We'll find you the best price and the best service. Call us today.

INTERDEAN INTERCONEX

Worldwide movers. PARIS: 01/23111111. Telex: 320000. BARCELONA: 01/23111111. Telex: 320000. BERN: 01/23111111. Telex: 320000. BRUSSELS: 01/23111111. Telex: 320000. GENEVA: 01/23111111. Telex: 320000. LONDON: 01/23111111. Telex: 320000. MADRID: 01/23111111. Telex: 320000. MUNICH: 01/23111111. Telex: 320000. NEW YORK: 01/23111111. Telex: 320000. ROME: 01/23111111. Telex: 320000. VIENNA: 01/23111111. Telex: 320000. ZURICH: 01/23111111. Telex: 320000.

FOR SALE & WANTED

AIRCRAFT FOR SALE. Immediate delivery. Sell helicopters, motor cars, boats, etc. Tel: 02/23111111. Telex: 320000.

CAR SHIPPING

SHIP YOUR CAR TO U.S.A. VIA AIRPORT AND SAVE. Free home accommodation. Regular sailings to U.S.A. Call: 02/23111111. Telex: 320000.

BAGGAGE SHIPPING

MANALPINA, 10 Rue de la Paix, 75116 Paris. Tel: 01-23111111. Telex: 320000. LE HAVRE: Tel: 033-23111111.

MOVING

IF YOU WANT ANYTHING BUT THE BEST DON'T CALL US.

GERMANY. INT'L MOVING SERVICES

Frankfurt, 061-30323. Munich, 089-411149.

FRANCE. DESBORDES S.A.

21 Rue de la Paix, 75116 Paris. Tel: 01-23111111. Telex: 320000.

HOMESHIP WORLDWIDE

21 Rue de la Paix, 75116 Paris. Tel: 01-23111111. Telex: 320000.

EXCLUSIVES & TRAVEL

EXCLUSIVE LONDON PARIS. Cruise in 60 motor yachts. See the sights of both historic cities from your own floating hotel. Tel: 02/23111111. Telex: 320000.

LOW COST FLIGHTS

The International Herald Tribune cannot reach the reliability of the low cost flights advertised below.

TRAVEL INTERNATIONAL

Low cost travel. Tel: 02/23111111. Telex: 320000.

FOR SALE & WANTED

AIRCRAFT FOR SALE. Immediate delivery. Sell helicopters, motor cars, boats, etc. Tel: 02/23111111. Telex: 320000.

CAR SHIPPING

SHIP YOUR CAR TO U.S.A. VIA AIRPORT AND SAVE. Free home accommodation. Regular sailings to U.S.A. Call: 02/23111111. Telex: 320000.

BAGGAGE SHIPPING

MANALPINA, 10 Rue de la Paix, 75116 Paris. Tel: 01-23111111. Telex: 320000. LE HAVRE: Tel: 033-23111111.

MOVING

IF YOU WANT ANYTHING BUT THE BEST DON'T CALL US.

GERMANY. INT'L MOVING SERVICES

Frankfurt, 061-30323. Munich, 089-411149.

FRANCE. DESBORDES S.A.

21 Rue de la Paix, 75116 Paris. Tel: 01-23111111. Telex: 320000.

HOMESHIP WORLDWIDE

21 Rue de la Paix, 75116 Paris. Tel: 01-23111111. Telex: 320000.

U.S.A.

TUDOR HOTEL, 34 East 42nd Street, New York City, N.Y. 10017. Tel: 021-2201. Telex: 320000.

FOR YOUR ESCORT IN PARIS

Call: 02/23111111. Telex: 320000.

U.S.A.

TUDOR HOTEL, 34 East 42nd Street, New York City, N.Y. 10017. Tel: 021-2201. Telex: 320000.

FOR YOUR ESCORT IN PARIS

Call: 02/23111111. Telex: 320000.

ESCOURT/GUIDES

MASS ESCORT ATTRACTIVE guides in Paris. Tel: 02/23111111. Telex: 320000.

BUSINESS OPPORTUNITIES

GUARANTEED RETURN. Buy from a successful investment opportunity. Tel: 0